

OVERSEAS NEWS

Moscow approves price-control package

By Quentin Peel in Moscow

THE growing threat of inflation in the Soviet economy has forced the ruling Politburo to approve a package of price control measures, reversing key moves to decentralise decision-making.

Some economists believe that real inflation - including black market prices, co-operative prices, and the replacement of cheap goods by more expensive items - is at least 5 per cent, and could be approaching double figures.

Soviet party agrees to mass rehabilitation of millions purged under Stalin regime

By Quentin Peel

MASS REHABILITATION for millions of victims of the Stalin purges in the Soviet Union has been agreed by the Central Committee of the Soviet Communist Party.

The move dramatically increases the scope of judicial rehabilitation granted now to the vast majority of those who were executed or banished to Siberia under the reign of terror of Joseph Stalin's dictatorship in the 1930s, 1940s and early 1950s.

It goes well beyond the steady stream of individual rehabilitations of major political figures - including the leading Bolsheviks of the 1917 revolution like Nikolai Bukharin, Lev Kamenev and Grigory Zinoviev - which have been issued since Mr Mikhail Gorbachev came to power in 1985.

Many failed to do so, and each case was still considered individually. The decision excludes those guilty of high treason, those who were members of punitive expeditions in the Second World War, Nazi criminals, participants in nationalistic bands, as well as persons who committed murder and other crimes.

US job market grows at moderate rate in December

By Anthony Harris in Washington

US EMPLOYMENT grew by 280,000 in December, sharply lower than the revised 404,000 increase in November, originally put at 488,000. The December increase was, however, well above the levels seen in autumn.

The last two months have sustained a trend evident throughout the year: the major growth has been in part-time employment for adult women.

The figures for average pay confirm the very moderate trend seen in November. Average hourly pay rose 0.2 per cent in the month, bringing the increase for the year to 3.4 per cent.

The one discouraging feature of the figures is the persistence of high unemployment among youths and minorities. These unemployment rates in December to nearly 15 per cent, and black unemployment, at 11.6 per cent, was above levels seen earlier in the year.

Italy orders Fiat 'move on unions' investigated

THE Italian Government has ordered an investigation into allegations that the Fiat group has been seeking to undermine trade union rights at its Alfa-Lancia subsidiary, Alan Friedman reports from Milan.

The investigation comes after several weeks of rising tension between unions and the Fiat group. The fact that the investigation has been ordered by Mr Rino Formica, the Labour Minister, who is also a leading Socialist party politician, suggests the conflict could develop into a political issue.

Yugoslav talks begin

The Yugoslav authorities yesterday began talks to choose a new government, following the resignation of Mr Branko Milutinovic, the Prime Minister, over a week ago.

The resignation took place after a stormy session of Parliament in which Mr Milutinovic was sharply criticised for failing to improve the economy, curb inflation and introduce radical reforms.

EC inquiry dropped

An inquiry into allegations of unfair underpricing of mobile telephones imported into the European Community was yesterday called off by the Brussels Commission, William Dunbar reports from Brussels.

The UK offshoot of Motorola, the American electronics company, lodged dumping complaints just over a year ago against three Japanese exporters of mobile telephones, two Canadian, and one Hong Kong company.

Canada pact test

An important test of the new US-Canada free trade agreement is looming following a decision by the National Pork Producers Council, a US pig farmers' group, to ask the US Government to impose countervailing duties on \$700m of Canadian pork imports.

In 1988, duties were imposed on Canadian pig imports because of production subsidies. Since then, Canadian producers have switched to exporting pork rather than pigs to the US and imports of pork products have risen by some 50 per cent.

Venezuela deficits

Venezuela recorded large deficits in its balance of payments and current account last year, as well as a negative foreign trade balance, Joe Mann reports from Caracas.

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Peres: tough task

Challenges face Israeli austerity

By Andrew Whitey in Jerusalem

DOMESTIC INTEREST rates in Israel plunged this week, and hundreds of millions of dollars poured back into the banks, following the introduction by Mr Shimon Peres, the Finance Minister, of an austerity package designed to tackle some of the economy's long standing structural ailments.

A serious hurdle to the package's implementation was overcome late on Thursday night, when the cabinet agreed to slash 1.1bn shekels (\$368m) - about 2 per cent of planned expenditure - from next fiscal year's budget.

But several other challenges lie ahead for Mr Peres, each of which could require concessions. Attempts to introduce heavy registration fees for students, along with increases in user charges for the health system are likely to be fought tooth and nail by the professional bodies concerned.

Ozal advisers winning government row

By Jim Boggs in Ankara

TREMORS continued in Turkish government yesterday from the shake-out between senior bureaucrats and Western-educated advisers to Mr Turgut Ozal, the Prime Minister.

Mr Erdem had taken exception to a newspaper report linking him with fugitive businessman Mr Kemal Horzum, an alleged swindler of \$50m from Mr Semler's institution.

represented their virtual exclusion from economic policymaking orchestrated by Mr Yusuf Bozkurt Ozal, the Premier's brother and State Minister for the Economy.

Treasury, to which the former is nominally subservient, according to bankers. Both institutions answer to Mr Yusuf Bozkurt Ozal.

Libyan capital gets down to business again

By Tony Walker in Tripoli

IT WAS business as usual yesterday in the small coast town of Tripoli's "Green Square" from where Col Muammer Gaddafi has made some of his more provocative speeches.

aggravation in the past two decades. There was little sign of the tension, and even panic, that had been reported on Wednesday. Traffic on Tripoli's rain-slicked streets appears to have returned to its usual pace and there was no evidence of a mass exodus from the city.

Libyan security personnel have been placed on a general alert, and some reservists have reportedly been recalled to barracks to prepare for a possible US attack. Air defences have also been strengthened around Colonel Gaddafi's heavily fortified barracks in a Tripoli suburb.

US jets bombed the barracks in 1986 in an attempt to eliminate the Libyan leader. The front of the Gaddafi family residence was blasted away and an adopted daughter was reportedly killed. Col Gaddafi, who was said to be in his Bedouin tent in the grounds of the barracks at the time of the attack, escaped injury.

Japanese steal the limelight at Detroit's luxury-car show

Toyota and Nissan are storming the last bastion of the world motor industry, Kevin Done reports

THE MOVERS and shakers of the US motor industry chose 1989 as the year that Motown should join the glamour and glitter of the international motor show circuit and demonstrate the industry's resurgent fortunes.

said in belief that the prestige of their marques could hold them above the fray. It was the volume car makers that had to meet the Japanese challenge head on while the European performance and luxury car makers continued to skim the cream off the world's single biggest luxury car market, the US.

and the \$40,000-\$70,000 demanded by the Europeans. As the US auto industry enjoyed a fourth consecutive year of vehicle sales (cars and light trucks) in excess of 15m units, sales of luxury imported cars from Europe plunged. BMW sales fell by 14.1 per cent in 1988, Porsche sales in the US plunged by a third, and are now only half the 1986 peak of more than 30,000.

managed to hold down stock levels and kept up dealer profit margins in the US, but its rivals such as Porsche, Mercedes-Benz and BMW have had to resort to some of the most undignified sales ploys of the volume car makers - blatant discounting and dealer incentives - in order to move the metal.

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Unwittingly, the Europeans have left a pricing vacuum in the middle of the US luxury car market into which the newly-created Japanese franchise of Infiniti (Nissan) and Lexus (Toyota) will now step.

They accept they cannot match overnight the intangible prestige of the European marques. They will bring an entirely new meaning to the concept of value for money in the luxury car market.

Toyota and Renault in talks

By Ian Rodger in Tokyo

TOYOTA MOTOR, Japan's largest motor group, is in discussions with Renault of France about production of its Land Cruiser four-wheel-drive vehicle in Colombia.

Each company has spent several billion dollars to produce new flagship cars - for Nissan the Infiniti Q45, and the Lexus LS 400 for Toyota.

for a multi-purpose 4WD van, and so it has been something out Toyota and other van makers on the possibility of joining Safa.

between Renault and Toyota, including a plan to produce Toyota vehicles in France. "There are no formal talks with Renault about production in the European Community," he said. "We are still looking at a number of possibilities."

Toyota directors have said in recent months that establishing a production base in the EC is now one of their highest priorities.

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OVERSEAS NEWS

Japan gets used to the pleasure of spending money

Domestic demand will keep the country at the top of the GNP growth table, writes Patti Waldmeir

IF 1988 WAS the year in which the Japanese discovered that wealth is more than just a state of mind, 1989 looks like settling the country once and for all into the habit of spending money. And though Japan's consumers and corporations may end up being less liberal with the cheque-book this year than last, the strength of domestic demand should still ensure Japan's premier place in the league of developed economies in terms of gross national product growth.

That is the consensus emerging from a cascade of economic forecasts issued by brokers and private research institutions for the fiscal year beginning in April. If the forecasters end up being anything like correct, and they seem to have turned in a more creditable performance over last year's figures than some of their Western counterparts — then Japan should manage economic growth of 4 to 5 per cent in the upcoming fiscal year, compared with 5 per cent or so in fiscal 1988.

Furthermore, although the Bank of Japan has recently expressed concern about the inflationary pressures exerted by continuing high levels of domestic demand, most private forecasters believe the grounds for anxiety are limited.

"It is the Bank of Japan's job to raise the warning flag over inflation well ahead of anyone else," says Mr Adrian Tachoei, Japanese economist at SBCI Securities in Tokyo. Few private forecasters believe inflation will top 2 per cent in fiscal 1989; for its part, the prestigious Nomura Research Institute predicts a consumer price increase of only 1.2 per cent, up from 0.7 per cent in 1988, a prediction which includes the impact of tax changes which on their own could add as much as 1 per cent to the index. "Obviously the pressures are there for inflation in 1989," says Mr David Pike of stockbrokers UBS-Phillips & Drew. He believes wages growth will begin to accelerate this year as the labour market tightens further.

Coming at a time when pro-

ductivity growth is beginning to slow, this will reverse a three year decline in unit labour costs. But though unit costs may rise as much as 2 per cent in 1989, competition from cheap imports will dissuade companies from passing the full cost on to consumers. Corporate profit margins are likely to suffer more than consumer prices, argues Mr Pike. Overall, any rise in output costs should be offset by further appreciation of the yen

and exports will remain strong to allow much improvement in the trade balance. NRI echoes this limited and conditional optimism, predicting a small absolute decline in Japan's trade surplus from an expected \$94bn in fiscal 1988 to \$91bn in 1989. But Mr Hirohiko Okumura, NRI's chief economist, stresses that this represents an important decline in relative terms, with the surplus falling from 5 per cent of GNP before the days of the

strong yen to a forecast 2.2 per cent in 1989. The broking community in Tokyo seems to take a less sanguine view of the situation. The decline in Japan's trade surplus evident earlier last year had already begun to reverse by mid-year, and most recent monthly figures have shown a year-on-year increase which some expect to continue through fiscal 1989. "It's bad news on all fronts," says Mr Pike of Phillips &

Drew, who is predicting a \$107bn trade surplus for calendar 1989, up from \$96bn last year. He argues that import growth should slow from aggressively high 1988 levels, as a result of lower domestic economic growth and continuing weak commodity and oil prices. Meanwhile, a strong world economy in the first half of the year should ensure firm growth in Japanese export volumes, supported as well by exports of capital goods by Jap-

anese companies setting up production facilities overseas. Even if demand turns down later in the year, Mr Pike predicts that exporters will finally begin passing on the impact of the higher yen in the form of increased export prices. The overall effect would be a worsening in the trade balance. Whether this will prove a temporary phenomenon — and indeed, whether it will happen at all — is anybody's guess. But unless the trade gap is seen to be narrowing, Tokyo could be in for more angry complaints from its trading partners.

What precisely this would achieve is difficult to assess, however. Calls for further demand stimulation would surely fall foul of Japanese worries about inflation. The best the West could probably hope for would be further market deregulation, perhaps in the sectors of agriculture and distribution.

In the longer term — once Japanese companies stop furnishing their factories abroad and actually begin importing large quantities of the finished goods those factories produce — it is difficult to see the external surpluses continuing to climb. But whether the longer term will begin in 1990, 1991, or beyond is a moot point; the level of the surpluses has defied forecasters before,

Soviet talks with Mujahideen fail to end stalemate

By Christina Lamb in Islamabad

THE SECOND round of peace talks between Soviet officials and Afghan resistance leaders has ended in deadlock, both sides agreeing only to meet again.

Prof Mojaddidi, who headed the resistance delegation, said the main stumbling block was Moscow's insistence on a future role for members of the present Soviet-backed regime in Kabul.

Mr Yuli Vorontsov, the chief Soviet negotiator and deputy foreign minister, arrived in Islamabad on Wednesday for the latest talks.

The Soviets confirmed their hope for withdrawal of their remaining 50,000 troops from Afghanistan by February 15. Western diplomats say preparations have already begun.

Mr Vorontsov repeated the Soviet demand for a ceasefire but this was again rejected by the rebels, who said it was impossible while the Kabul regime was still in place, though they offered not to attack Soviet troops as they leave.

Saudi Arabia last month. Mr Vorontsov's subtle diplomacy since then, involving meetings with the former Afghan King in Rome and Iranian-based Mujahideen, seems to have exacerbated differences within the resistance alliance.

While both Moscow and the rebels realise the need for some form of consultative council to act as an interim government, they cannot agree on its composition.

It has not yet been decided when or where the next meeting will be held but the venue is thought unlikely to be either Pakistan or Mr Vorontsov's suggestion of Moscow. With less than six weeks left to completion of the withdrawal and neither side willing to compromise, a peaceful solution to the nine-year conflict still seems far from certain.

Pakistan and the rebels' US backers are reported to have lost patience with the alliance and are concentrating on the field commanders, particularly Ahmad Shah Massoud in the north, who they believed have proved themselves better organised and more representative.

Lucky bags: only moneybags need apply

By Ian Rodger in Tokyo

"IT IS a time of great richness," signed the spokesman for Mitsukoshi, the leading Japanese retail emporium.

Indeed, on Wednesday, Mitsukoshi, like most Japanese retailers, put its lucky bags on display. Lucky bags are a traditional Japanese New Year treat, aimed at luring people back into the shops. Typically, the bags, which are sealed, cost about ¥5,000 (\$23) and contain bits of jewellery, clothing and nicknacks to a value usually slightly in excess of the payment made.

Mitsukoshi offers that kind of bag, too, and on Wednesday

alone sold more than 300. However, in the past two years it has also decided to cater for its more affluent customers (and win some free publicity in the process).

It puts together a small number of extremely expensive lucky bags and displays the contents in the show windows of its main store in Nishi-Shinjuku, Tokyo. Last year, the top item was a ¥210m (\$230,000) bag filled with jewels. This year, bags of jewellery, priced at ¥300m, ¥100m and ¥30m and several at ¥1m and ¥500,000, are on display.

Mitsukoshi insists that it is maintaining the tradition

that the value of the goods should exceed the sum paid, and the customers apparently agree. The ¥30m bag, containing a diamond necklace and a 1914 Renoir painting, has already sold as have several ¥1m and ¥500,000 bags.

As for this year's top item, a bag containing a 1937 Picasso oil painting, "Maria Theresa", and a 1914 Renoir painting, "A Woman Wearing a Flower Hat", there could be a problem. Despite the price, ¥500m (\$2.2m), Mitsukoshi has already had 20 inquiries and the store fears it will have to select a customer for it.

Mitsukoshi thinks the

popularity of its bags reflects an improvement in Japanese consumers' tastes. People are now interested in Renoirs, Picassos and beautiful jewellery rather than just the latest electronic gadget, the spokesman said.

It also reflects the fact that many of them are extremely rich. "People's consumption power is much stronger than we expected," he agreed.

He recalled the old Japanese adage according to which everyone should have one gorgeous item in his life — an expensive handbag, a special brooch or even a car. "Now, everyone wants total gorgeousness," he said.

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	Fiscal '87	'88*	'89*
Real gross national expenditure (%)	5.2	5.0	4.8
Private final consumption (%)	4.5	5.1	5.0
Private residential construction (%)	22.5	1.5	5.2
Private investment in new plant and equipment (%)	10.0	17.0	10.5
Industrial production (%)	5.8	7.2	5.3
Wholesale prices (%)	-2.0	-0.8	0.3
Consumer prices (%)	0.5	0.7	1.2
Trade balance (\$bn)	94.0	94.2	91.2
Exports (\$bn)	233.4	264.8	269.4
Imports (\$bn)	139.4	170.6	198.2
Current account (\$bn)	94.5	77.3	73.3

Punjab Sikhs strike in protest at executions

By K.K. Sharma in New Delhi

THERE WAS a general strike in Punjab yesterday in protest at the execution of the assassin of Prime Minister Indira Gandhi, and his co-conspirator. The strike call by all factions of the Akali Dal, the Sikhs' political party, reflected widespread resentment among the Sikh community all over India.

Shops, offices and educational institutions remained closed for the day. Most buses were withdrawn by the authorities who expected violence in retaliation for the executions.

Heavy patrolling and other intense security measures at airports, railway stations and strategic installations prevented trouble, but this could still come in the next few days.

Mrs Gandhi was murdered by two of her security guards, Satwant Singh and Beant Singh, at her official residence on October 31, 1984, in revenge for the Indian Army's assault earlier in the year on the Golden Temple at Amritsar, the Sikhs' holiest shrine.

A prolonged trial ended a few weeks ago with the Supreme Court confirming the

death sentence on Satwant Singh and his co-conspirator, Kehar Singh (the second assassin was shot dead immediately after the assassination).

Emotions in the Sikh community have been aroused in the past few weeks as lawyers attempted to win a reprieve for at least Kehar Singh since many believe the evidence against him to be inconclusive.

Most Sikhs believe the Government lost an opportunity to heal the wounds inflicted on their religious community by failing to commute the death sentences.

It is widely felt that such a gesture would have been responded to even by the extremists who have launched a terror campaign to win a separate Sikh homeland.

Anger among the Sikhs has increased because of the decision of the Government not to hand over the ashes of the executed men to their families after the bodies were cremated in jail after the hanging.

The relatives then successfully obtained a court order directing the authorities to preserve the ashes.

Manila to resume talks with IMF on new money

By Richard Gourlay in Manila

THE PHILIPPINES will resume negotiations later this month with the International Monetary Fund on a crucial new money facility following the collapse of talks last month, according to Mr Jose Fernandez, the central bank governor.

He told businessmen on Thursday that a successful conclusion to these talks would allow a negotiated deferral of principal payments to the Paris Club of official creditors and a resumption of talks with the commercial banks for new money. Officials say the IMF facility could be worth \$900m over three years and they are looking for about \$1.6bn from the commercial banks.

Mr Fernandez said these talks would contribute \$5bn

over two years to finance the gap between foreign exchange receipts and principal and interest payments on the country's \$28.9bn of international debt.

Talks with the commercial banks broke down last last year over the amount Manila was requesting. Subsequently, negotiations with the IMF were deferred in December after the Fund questioned Philippine government spending plans and its gross targets.

Troops backed by tanks and armoured personnel carriers yesterday stormed a military garrison in Zamboanga City after renegade Muslim policemen killed a general who were holding hostage, Rauter reports.

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Savings and the Budget

MRS THATCHER must sometimes feel that her Government is the one prudent householder in a nation of profligates. As has been demonstrated only this week, personal savings continue to fall, reaching the unbelievably low level of 1.3 per cent of disposable income in the third quarter of 1988.

Lesson of the past

Unfortunately, the Government may be unable to do much about the national savings rate. The identification of the alleged savings problem has, it is true, led to numerous proposals for fiscal incentives. But such incentives are far more likely to influence the allocation of savings than its overall level, while losing substantial fiscal revenues in the process.

Real asset prices

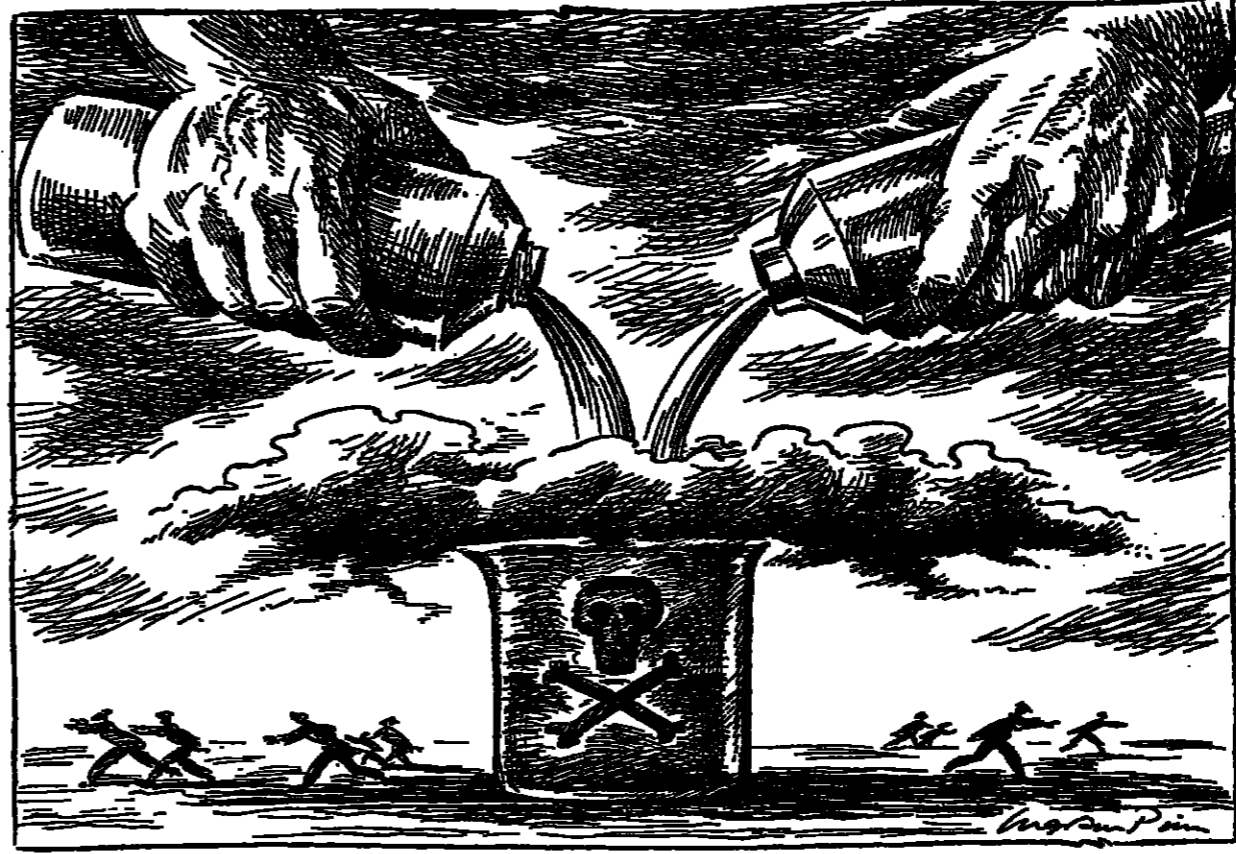
The result of these trends is that the gross national savings rate has declined, but not dramatically, from 20.4 per cent of GDP in 1980 to 19.4 per cent last year.

What is more, over the past few years the rise in real asset prices increased personal net worth dramatically. In 1987, for example, measured personal savings were a mere £13.6bn, while the national accounts show an increase in personal net worth of over £45bn.

David White and Peter Marsh look at the future of chemical warfare

Two unpleasant questions loom behind the US-Libyan row over the factory near Tripoli which Washington says is for chemical weapons. In these any way of preventing countries determined to do so from making and using poison gas? And can Third World countries be kept away from the temptation of these rediscovered cheap mass weapons?

Chemical weapons have moved to the centre-stage of arms control in the past few months following Iraq's use of gas during its war with Iran, the attacks by Iraq against its own Kurdish citizens and now the controversy over Libya's alleged production plans. The other two main focuses of current arms negotiations are strategic weapons and conventional arms in Europe.



Mustard gas can be made in three ways, one of the best known being that starts with thioldiglycol. This is a chemical made from glycol, an ethylene-derived chemical which sees everyday use in anti-freeze and as a plastic additive. To thioldiglycol would have to be added hydrochloric acid, a highly versatile chlorine-containing chemical.

The deadly brew of nationalism

acquire a chemical capability. In Geneva, an ad hoc committee reporting to the 40-nation Conference on Disarmament has been working towards a new treaty for nine years. Discussions are due to resume next month.

But many issues still need to be resolved - who does the inspection, who pays, and how do manufacturers protect industrial secrets. Verification would be a task much greater than with the Intermediate Nuclear Forces (INF) Treaty, which serves as a precedent.

A few basic chemical transformations are all that stand between mustard gas - the disabling agent that Libya is suspected of making for use in warfare - and thousands of synthetic materials used in virtually all areas of modern life.

Mustard gas, which was employed to devastating effect by both Germany and Britain during the First World War, is made by mixing carbon-containing chemicals with chlorine and sulphur. The reactions are similar to those which produce drugs, pesticides and plastics.

As a result, a plant for making war gases does not look much different from the outside to a factory for producing more innocuous substances.

The background to the uncertainty over the purpose of the plant - and to the problems that will accompany enforcement of a new chemical warfare treaty - is the complex and fragmented nature of the world's chemical industry.

Most of the petroleum-based synthetic substances used in consumer goods, clothing and industry owe their origins to a few basic feedstock materials such as ethylene and propylene made from oil. From these oil-

derived feedstocks, together with a small group of other basic materials such as sulphur and chlorine, are made a second tier of about 200 building-block substances, known in the chemical industry as "evergreens".

Given enough expertise in chemical synthesis - together with the engineering knowledge needed to construct the necessary plant - the range of substances to be derived from the 200 evergreens is limitless.

It is this third tier of evergreen-based materials which are mixed in varying proportions to form the ingredients for drugs, pesticides and many other kinds of specialised additives used in industries such as plastics, water-treatment, paper processing and construction.

Many of these intermediate chemicals are by their very nature hazardous and could be used for killing people. For example, methyl isocyanate, the gas which escaped from the Bhopal pesticide plant in India in 1984, killing more than 2,000 people, would make a highly effective war gas.

Most modern chemical facilities can be seen as giant mixing vessels comprising the same elements of pipes, valves, pressurised containers and control systems. Such a factory can have a great many applications, and although there are many types of war gas, Mr Julian Robinson, a chemi-

Every manager needs some luck to achieve his objectives. Derek Birkin has had his fair share during the wheeling and dealing which has reshaped the RTZ Corporation since he was appointed chief executive and deputy chairman in April 1985. His good luck culminated this week in the biggest-ever private deal between two UK groups: agreement in principle for RTZ to buy British Petroleum's world-wide minerals operations for \$4,520m (£2,470m).

MAN IN THE NEWS Derek Birkin Manager for whom the luck is still running

By Kenneth Gooding



out that the late Sir Val Duncan expanded the company at such speed that some corporate disciplines were lacking. Duncan's successors, Sir Mark Turner and Sir Antony Tuke, made no big effort to change the style. The task of restructuring RTZ was left to the team which took over in 1985.

followed by a spell as managing director of a division of Naira Williamson, the floor coverings group. Then in June 1970 he joined Tunnel Cement as deputy chairman and chief executive. RTZ acquired him, along with Tunnel, in 1982.

Mr Birkin is the son of a south Yorkshire miner. His mother was determined he would not follow his father and five brothers into the mines, and he attended Hensworth Grammar School where he became head boy and captain of both the cricket and rugby teams. After National Service he rejected the idea of going to university and became a management trainee with Naira and Williamson.

FILMS ON FINANCE

Five new releases from Financial i (JANUARY 1989) An Introduction to Futures An Introduction to Options U.K. Equities: The Issuer U.K. Equities: The Market U.K. Equities: The Investor

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The family doctor sits assuredly in front of her computer terminal, working out the best and most cost-effective form of hospital treatment for three patients.

Alan Pike looks ahead to the Government's plans for reform of British health care

Prescription for greater GP power

One is quickly dispatched to the local National Health Service district hospital. New methods of assessing costs show that it offers good value for money in many areas of treatment and, since the family general practitioner (GP) has to pay for it out of an annual budget...

taxation to one financed by private insurance. These ideas are linked by a Government desire to break through the central bureaucracy of the NHS, Europe's largest civilian employer...

Cynics believe the Government's ideas have something in common with the Arabian Nights

Giving GPs a "gatekeeper" role as budget holders with power to select the best source of hospital treatment for their patients...

you can make rational decisions, balancing the waiting time for the patient against the extra cost. The Powys GPs fear that the system could be used to place cash limits on the services they provide...



management and clinical budgets is being conducted at several hospitals around the country and the lessons of this will have to spread rapidly if the Government is to achieve its reforms...

Richard Waters on Chase Manhattan's withdrawal from UK equity market making

Three ways to cope with the City's gloom

Amid the general gloom of job losses in the City, different strategies are emerging among investment banks. They represent different ways of dealing with the same problem: chronic overcapacity in the City's main financial markets.

bring the total to less than 300. Chase is not the first firm to move out of equities but keep its gilt operation alive; Midland did the same thing a year ago, shutting down everything on the equity side except its private client stockbroking business.

Chase now says the equities side is relatively unimportant to its corporate clients or investors in the long term. At the time of its move into stockbroking, however, Mr Anthony Terracciano, the head of the bank's capital markets group, described a strong position in equity markets as "crucial" to Chase's ambition of becoming a major worldwide investment bank.

There is, of course, the third strategy: pulling out of equities altogether, a course followed so far by such as Morgan Grenfell and Lloyds Bank. These investment banks will rely in future on specialisation in individual niches; out of necessity they have turned their backs on the full-service approach altogether.

LETTERS

'Real' mortgage costs

From Mr R. Sabry-Grant. Sir, The New Year increase in interest rates affecting mortgagors, although unwelcome, should come as no surprise.

Such premature collections have present values which are less to the mortgagor and gained by the mortgagee before the monies are due.

The mathematical model (from which the equation used to calculate the proposed instalments to be collected is derived), the number of repayments, and the timing of collections - premature as well as punctual - are essential for serious determination of the "real" cost of a loan.

'Pool insurance' applied to the mortgage market

From Mr A.R. Hill. Sir, Your article on the use of mortgage pool indemnities "Home insurers build on innovation" (December 7) addressed the subject entirely from the point of view of the insurer or certain mortgage companies rejecting insurance as their chosen method of enhancing mortgage assets when they wish to re-finance.

insurance covering £1.6bn of mortgages to date. From our point of view insurance has proved to be flexible and cost effective. It has enabled us to raise sub-track rates both in the guaranteed loan markets (over 8 1/2%) and in the new securitisation market (about 7 3/4%) at reasonable cost.

property sold, and the relevant insurances realigned. There is no limit to valid claims on the policy. This feature produces a very considerable benefit in the financing of mortgages by the mortgagee, far easier to understand, because all mortgage assets are effectively "homogenised", and the financier lending to us or purchasing our securities does not need to be an expert in mortgage credit risk to evaluate the level of enhancement.

Statistics matter

From Mr R.R. Woole. Sir, Mr Francis Maude (Letters, December 22) argues that the Government should not provide statistics beyond those which meet its own needs. Surely he does not understand the role of the government in a democracy.

politicians saying they neither know nor care whether the country is living beyond its means. If there is no reliable means by which we shall not be able to vote on the basis of it. The rapid transformation of the economy under Mrs Thatcher has made it harder to collect statistics. Output of new industries cannot always be counted like tonnes of steel.

Uranium supplies

From Mr Richard H. Levy. Sir, The article by Sir Alan Cottrill (December 14), objecting to proposed cuts in the fast breeder reactor development programme, uses the argument that supplies of uranium at reasonable cost will be exhausted in 40 or 60 years.

Critical frown

From Mr Nicholas Wright. Sir, I take the greatest exception to Martin Hoyle's imputation (FT Arts page, December 13) that I neglect my research. "Where", he asks, "in the early 1980s could the opera-loving daughter see that rarity, the yet to be rehabilitated 'Così'?"

subordinated paper economically with a third party; and residual concerns about the legal mess that would inevitably follow the subordinated trustee suffering at this level.

Cathedral fund

From the Deans of Winchester. Sir, In his admirable account of Winchester Cathedral's finances (December 10) Christian Tyler quoted a member of our community who described the Australian fund-raising company whom we are employing as "thuggish".

ADVERTISEMENT BUILDING SOCIETY INVESTMENT TERMS

Table with columns: Product, Applied rate, Net, Interest, Minimum, Access and other details. Lists various investment products from Abbey National, Alliance and Leicester, Barclay, Birmingham Midland, etc.

UK COMPANY NEWS

Murdoch wins battle for Collins

By Fiona Thompson

THE BITTER seven week battle for William Collins ended yesterday when Mr Rupert Murdoch's News International gained control of the Glasgow book publisher.

white knight, Groupe de la Cité, pulled out of the contest. Mr Chapman had fought strongly against the takeover.

His bid had been "most surprised and touched" by the support Collins received from its authors, but "the greatest support they can give us now is to stay with Collins."

publishing interests. Mr Chapman's future will be discussed when he meets Mr Murdoch in London within the next fortnight.

Maxwell disposes of more US assets

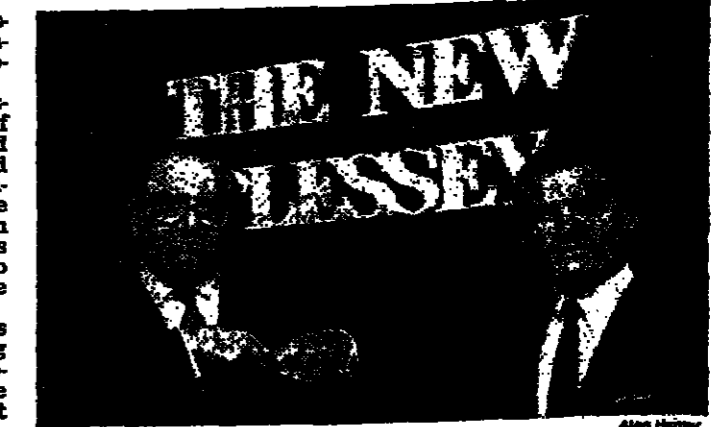
By Andrew Hill

MAXWELL Communication Corporation, the publishing and information group, and Macmillan, the US publisher, have sold various publishing assets for \$17m (\$26m) to a newly-formed company owned by an affiliate of Rothschild.

Escalation of the phoney war as the answering salvo is fired

Hugo Dixon looks at Plessey's defence document

THE \$1.7m battle for Plessey UK electronics company, is now in the phoney war stage.



Seeking to show the logic of the bid is flawed - Sir John Clark (left), chairman, and Mr Steven Walls, managing director.

Plessey, in its defence document published yesterday, is seeking to show that the logic of the bid is flawed.

Mr Stephen Walls, managing director of Plessey, makes it clear that he does not oppose collaboration as a matter of principle.

While claiming that Plessey has made considerable progress over the last two years in achieving "commanding positions" in its chosen markets.

First is the contention that by tying itself to one group, Plessey will lose the flexibility to make alliances on a sector by sector basis.

the bidders' stated intention of achieving advantages of scale.

Plessey's defence document lists the series of partnerships it has formed in recent years.

Mr Walls says that Plessey's approach to collaboration in the electronics industry is flexible and entrepreneurial.

The second leg of Plessey's argument against the bid's logic is to question whether GEC and Siemens, which it describes as lumbering giants.

However, the company's sternest criticism is reserved for GEC's and Siemens' plans for its defence business.

Plessey also criticises the bidders' plans for spitting international defence interests from the UK business.

The third leg of Plessey's argument is to criticise the specific plans that GEC and Siemens have drawn up.

IBSTOCK JOHNSEN, a brick and pulp manufacturer, has added a further 100m bricks a year to its output in the US by acquiring Midland.

S&N says many shares were sold short

By Clay Harris

SCOTTISH & NEWCASTLE Breweries said yesterday that several leading UK equity market-makers had created significant short positions in its shares as a result of sales to Elders IXL on November 10.

Based on an assessment by Rowe & Pittman, its stockbroker, S&N believes that at least half of the 35m shares which Elders bought that day came from market-makers which were selling short - i.e. selling shares which they did not own in expectation of covering them with purchases at lower prices.

The degree of short selling was expected to become clear after yesterday's deadline for reply to notices S&N has served on 13 market-makers under Section 213 of the Companies Act.

As the deadline for reply approached, S&N shares traded yesterday at 400p - Elders' offer price - for the first time since the \$1.6m bid lapsed as the result of a Monopolies reference.

Mr Rankin said yesterday that three stockbrokers - Barclays de Zoete Wedd, Smith New Court and James Capel - had confirmed orally that they were short of S&N stock on November 10.

Although it would not be surprising if market-makers went short of stock in such a situation, when they expected a share price to drop in the wake of a lapsed bid.



Alick Rankin - three brokers were short of S&N stock

The bid reference was announced, Elders - through James Capel - bought 9.5 per cent of S&N in the market to raise its stake to 23.6 per cent.

This was against the usual practice after a referral, and the Department of Trade and Industry immediately forbade Elders from exercising more than 15 per cent of the voting rights and changed the rules to prevent a recurrence in future bids.

The DTI subsequently also referred Elders' share purchases to the Monopolies Commission.

Beazer sells more of Koppers assets

By David Waller

BEAZER, a UK housebuilding, materials and construction group, yesterday continued the divestment programme at Koppers, the US group acquired for \$1.72m last summer.

Beazer has sold Irwindale quarry in California and Thiem Corporation, a manufacturer of adhesives and sealants, for a combined total of \$87m (\$37m).

Koppers' tar, wood and coke products business and Pittsburgh headquarters, and brought the total raised from divestment to \$70m.

Beazer bought Koppers for its building materials and services interests and thus would have liked to keep the Irwindale quarry. However, it was a condition of the bid being successful that the California quarry be sold off, last Beazer

contravened anti-trust legislation because of its existing West Coast revenues.

Annual revenues for the quarry, which is being bought by the United Rock Products Corporation, amounted to \$33m. Thiem had net assets of approximately \$10m and annual revenues of \$32m, and is being sold to National Starch and Chemical Corporation, a subsidiary of Unilever.

W Canning expansion

By David Waller

W Canning, Birmingham-based speciality chemicals manufacturer and industrial distribution group, is buying more speciality chemicals businesses in continental Europe and North America for \$9.57m (\$5.5m) from Sybron Chemicals.

The deal is to be financed with the first vendor placing of 1989 and is supported with a forecast that Canning will prove to have made pre-tax profits of no less than \$5.7m in 1988, up from \$3.2m in 1987. The final dividend will be 5p, making 6.5p (6.5p).

Following a recent restructuring, the Gannan businesses are grouped into seven divisions, six in Europe and one in the US. Collectively, they made a profit before tax and management charges of \$575,000 in 1988, on turnover of \$32m.

L&B shares jump 22p on news of Tomkins stake

Shares in Low & Bonar, Dundee-based plastics, packaging and textiles group, jumped

22p to 227p yesterday on news that Tomkins, acquisitive industrial conglomerate, had

acquired a 4.7 per cent stake.

L&B, which has been subject to bid speculation in the past, said yesterday that it discovered the stake - held through more than six nominee names - through its regular checks on the share registers. Tomkins, it added, confirmed the size of the holding earlier this week.

LONDON RECENT ISSUES

Table with columns: Issue, Amount, Latest Price, Stock, Closing Price. Lists various financial issues and their market performance.

FIXED INTEREST STOCKS

Table with columns: Issue, Amount, Latest Price, Stock, Closing Price. Lists fixed interest stocks and their market performance.

RIGHTS OFFERS

Table with columns: Issue, Amount, Latest Price, Stock, Closing Price. Lists rights offers and their market performance.

TRADITIONAL OPTIONS

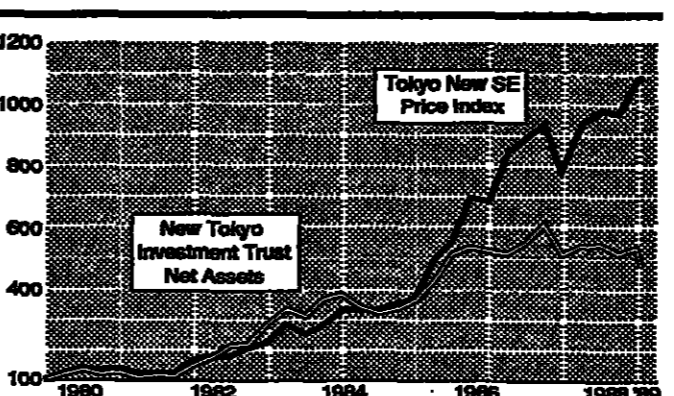
First Dealings Dec 19, Last Dealings Jan 6, Last Dealings Mar 30, For Settlement Apr 10. Calls in Blue Arrow, Copson, Eurotunnel Units, Prudential, Rosebush, Pacific Sales, Beambox, Ineco, Era, Charterhall, Puts in Body Shop, Eurotunnel Units and Wrms. PIC in Eurotunnel Units and Wrms.

The laying of new tracks to bolster investment trust appeal

Nikki Tait looks at the possibility of indexation at New Tokyo

NEW YEAR, new ideas. As Hogmanay ebbs from Edinburgh's Melville Crescent, another bout of investment trust-busting looks set to occur on Monday afternoon - on this occasion, at the 27th New Tokyo Investment Trust. The difference is that this time the aggressor's aim is more innovative: the creation of the sector's first fully-indexed fund.

Indexation, where constituent stocks are selected so that performance of the resultant fund tracks a more general market indicator, has long been mooted as one possible solution to the \$200m investment trust sector's problems.



New Tokyo is, in theory, straightforward. Its portfolio, via a programme trade, would be reduced to 60 stocks, picked with the aim of tracking the Tokyo First Section Index (itself covering over 1,100 stocks).

tracking errors of 0.35 to 0.5 per cent. Another complaint from analysts concerns the fee level proposed, which they suggest is high given the limited burden of an indexed portfolio.

To such criticisms, LBH argues that it is looking at the subject from a user's viewpoint. It concedes that it is giving up some theoretical accuracy by the very limited portfolio but claims that this is more than compensated for by lower administration/dealing costs involved in handling just 60 liquid stocks.

The scheme has met a rather low-key opposition from New Tokyo itself, which recommends that the trust retain its existing investment policy. It is, nevertheless, also offering shareholders a rival proposal, which requests the board to draw up a unitisation scheme (turning the investment trust into a unit trust where price is directly related to underlying assets).

Those sector's problems have been well-aided. They hinge on a general over-supply of trust shares relative to demand, so that share prices of most funds trade at well below the value of their underlying assets. This structural "discount" has, in turn, provoked waves of predatory action.

Aware of the problems, various solutions have been suggested, ranging from attempts to boost private investor demand to cunning repackaging of investment trust shares into a structure which, in theory, should create a vehicle with more appeal to investors - in one of these possibilities.

On the way, management of the trust would shift from EFM to LBH - which would receive total annual fees equivalent to 0.65 per cent of total net assets, marginally less than the current 0.75 per cent charged by EFM. After 1990, shareholders

So what is the likely outcome? Both proposals, which are being put to shareholders on an ad hoc basis, require a 50 per cent approval. About 90 per cent of New Tokyo's shares are owned by institutions, and LBH has built up a 27.61 per cent holding. It has already claimed additional indications of support taking it over 40 per cent of New Tokyo shares, and

MARKET STATISTICS

FT-ACTUARIES SHARE INDICES QUARTERLY VALUATION

The market capitalisation of the groups and sub-sections of the FT-Actuaries indices as at December 30, 1988 are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Market capitalisation as at Dec. 30, 1988 (£m), % of all share index, Market capitalisation as at Sep. 30, 1988 (£m), % of all share index, Market capitalisation as at Jun. 30, 1988 (£m), % of all share index.

BANK RETURN

Table with columns: BANKING DEPARTMENT, Wednesday January 4, 1989, Increase or decrease for week.

ISSUE DEPARTMENT

Table with columns: LIABILITIES, Assets in custody, Assets in banking department, ASSETS, Government Debt, Other Government Securities, Other Securities.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol, Last, May 89, Aug. 89, Stock.

GRANVILLE SPONSORED SECURITIES

Table with columns: High/Low, Company, Price, Change, Gross Yield, P/E.

BASE LENDING RATES

Table with columns: Bank, %.

ECONOMIC DIARY

TODAY: International chemical arms conference opens in Paris (until January 11). MONDAY: The Department of Trade and Industry gives figures for retail sales (November-final), credit business (November), and producer price index numbers (December-provisional). The Department of the Environment issues statistics for housing starts and completions (November) and slum clearance 1987/88 (provisional). Mr Ronald Reagan, President of the US, submits Federal budget to Congress. Central bankers from the group of ten industrial nations meet in Basle at the Bank of International Settlements. Italian wholesale prices. British Rail intends to impose a package of pay-related measures on its staff. TUESDAY: Mr Helmut Haussmann, West German Economics Minister, is expected to present proposals to the West German Cabinet. European Commission Central Bank governors meet in Basle, including a committee on monetary union. House of Commons returns from Christmas recess. Glapham Junction rail crash inquiry preliminary hearing will be held at Central Hall, Westminster. Swedish national budget. WEDNESDAY: Department of Energy publishes advance energy statistics for November. The Department of Employment issues figures for overseas travel and tourism in October. US seven-year Treasury note auction. Spanish unemployment figures. European Communities and Centre for Economic Policy Studies hold lunchtime meeting. Can the European monetary system survive 1989? in London. Roman annual meeting. THURSDAY: Bank of England's quarterly analysis of bank advances in November. Lloyds seeking judicial review of Lord Young's decisions to delay the publication of the inspectors' report on the acquisition of the House of Fraser by the Al Fayed brothers and not to refer the acquisition to the Monopolies and Mergers Commission. TUC launches national health and safety inspection week. TSB publishes preliminary figures. FRIDAY: Usable steel production (December). Finished steel consumption and stock changes (third quarter-final). US advance retail sales (December), producer price index. The Office of Fair Trading is due to advise Lord Young whether to refer the bid by General Electric of the United Kingdom and Siemens of West Germany for Plessey to the Monopolies and Mergers Commission; the European Commission has promised to make a ruling at around the same time.

WORLD TEXTILES The Financial Times proposes to publish this survey on: Wednesday, 22nd March, 1989 For a full editorial synopsis and advertisement details, please contact: BRIAN HERON or PHILIP DODSON on 061 834 9381 (telex 666813) or write to Financial Times Alexandra Buildings Queen Street Manchester M2 5HT

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Friday January 6 1989, High and Low Index, 1988/89, Size Completion.

FIXED INTEREST

Table with columns: PRICE INDICES, British Government, Overseas Treasuries, Inflation-linked, 1988/89, High, Low.

Which company ... is re-building Reading Station? ... is selling luxury flats in Wimbledon? ... is hiring specialist plant nationwide? ... is working on oil rigs around the world? ... is providing computer personnel in Australia? ... has put the whole of the Electoral Register onto a computer data base? ... has provided share information offices for British Airports Authority, Rolls Royce and British Airways? ... has despatched 75 million pieces of mail in the last year? It may surprise you to learn that all these activities are carried out by Turriff Corporation. We are listed on the London International Stock Exchange and last year our profit before tax to 31 December 1987 rose 93% while earnings per share were up 45%. Our six month results to 30 June 1988 showed further gains with our profit before tax up 98% and earnings per share up 37% for the half year. Our foundations are in construction. Today our strength lies in our diversity. We have four divisions managed by specialists - people who know their business. If you would like further information on Turriff call Peter Taylor on 0926 410400 or complete the coupon below.

TURRIFF TURRIFF TURRIFF STRENGTH IN DIVERSITY

INTERNATIONAL COMPANIES AND FINANCE

Share purchases soar as LVMH battle resumes

By Paul Botta in Paris

THE BATTLE for control of Moët-Hennessy-Louis Vuitton (LVMH), France's leading champagne, cognac and luxury products group, has erupted again after a brief truce, sending LVMH's share price to new heights on the Paris bourse.

Concern in Japan over financing of buy-outs

By Paul Waldmeir in Tokyo

JAPAN'S regulatory authorities yesterday expressed concern about the risks involved in financing leveraged buy-outs, as the country's commercial banks finalised decisions on whether to help fund Kohlberg Kravis Roberts' \$25bn buy-out of RJR Nabisco, the US food and tobacco group.

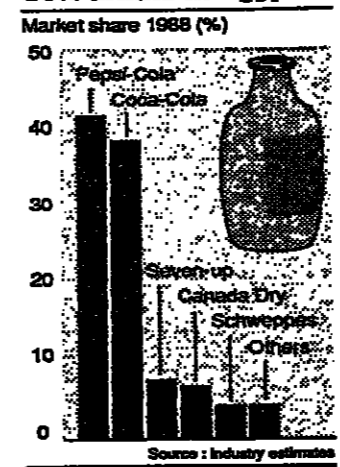
Egypt's soft drink makers lose their fizz

Tony Walker reports on mounting competition in the Arab world's biggest market

When Seven-Up first appeared on the Egyptian market a decade ago, the small, green bottles of lemonade were in such demand that distributors were obliged to assign additional men to "ride shotgun" on the delivery trucks to guard against possible hijack.

Mr Ismail Osman, chairman of Schweppes-Egypt, which produces traditional Schweppes products such as tonic water and fruit juices, said the company's difficulties were partly attributable to competition from heavily subsidised public sector products.

Soft drinks in Egypt



on to an existing state-controlled sector new private companies that are obliged to operate under different rules.

Mr Peter Holmes, marketing manager for Pepsi, believes the Egyptian market, once it has absorbed the shock of recent price increases, will start to grow again "but not at previous rates of growth."

Companies are planning to spend more on advertising and, according to Mr Holmes, on their "total system" of marketing and distribution.

Chemical responds to Minorco loan critics

By Karen Zagor in New York

CHEMICAL BANKING, the fifth largest US bank group, has said that in future it will not provide funds to companies controlled by South African investors.

Nippon Life considers holding in Benetton

By Alan Friedman in Milan

BENETTON, the Italian clothes maker, is holding discussions that could lead to the acquisition of a minority share stake by Nippon Life, the leading Japanese insurer.

TransCanada PipeLines sheds unit in reshape

By David Owen in Toronto

TRANSCANADA PipeLines (TCPL), the Canadian energy utility 49.1 per cent owned by BCE, is to spin off Encor Energy, its upstream oil and gas subsidiary, as part of a restructuring and recapitalisation programme.

BP plans one brand for US petrol stations

By James Buchan in New York

BRITISH Petroleum, the UK oil company which is reshaping its public image to account for big changes in its international business, intends to organise its far-flung US petroleum marketing operations under a single brand name.

ABB to boost Canadian presence

By Robert Gibbins in Montreal

THE plants make transmission and distribution equipment, employing 1,400 people, and represent about 20 per cent of Westinghouse Canada's business.

World Commodities Prices

Table with multiple columns for various commodities like Wheat, Soybeans, and Oil, showing prices in different markets.

WEEKLY PRICE CHANGES table showing price movements for various commodities like Gold, Silver, and various oils.

LONDON METAL EXCHANGE table showing prices for various metals like Aluminum, Copper, and Lead.

New York table showing prices for various commodities like Gold, Silver, and various oils.

CHICAGO table showing prices for various commodities like Soybeans, Corn, and Wheat.

SPOT MARKETS table showing prices for various commodities like Crude oil, Gasoline, and various oils.

POTATOES table showing prices for various potato varieties.

SOYBEAN MEAL table showing prices for various soybean meal grades.

COATINGS & PAINTS WORLDWIDE advertisement and price table for various paint products.

Handwritten signature or note at the bottom of the page.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar up despite intervention

THE DOLLAR rose sharply in currency markets yesterday, as comments by a West German bank official overshadowed a neutral set of US employment figures at December.

that the central bank was probably acting more to smooth the dollar's rise, rather than change its direction.

The dollar finished at DM1.8140, its best closing level since the middle of October.

These remarks pushed the dollar sharply firmer, from around DM1.7956 to DM1.8140, touching a high of DM1.8190.

US employment data for December showed a rise in non-farm payroll jobs of 479,000, much in line with expectations.

The pound fell to \$1.7890 from \$1.7980, but edged up to DM3.2500 from DM3.2375.

STERLING INDEX

Table with columns for Jan 6, Jan 7, and Feb 7, listing various indices.

CURRENCY RATES

Table showing currency rates for various countries including US Dollar, Swiss Franc, Japanese Yen, etc.

CURRENCY MOVEMENTS

Table showing percentage changes in currency rates.

OTHER CURRENCIES

Table showing exchange rates for currencies like Argentine, Brazil, Chile, etc.

FORWARD RATES AGAINST STERLING

Table showing forward rates for various currencies against the sterling.

MONEY MARKETS

UK rates steadier

UK interest rates traded within a narrow range in London yesterday. Sterling's slightly weaker tone failed to have any impact on interbank rates.

The Bank of England forecast a shortage of around \$850m, which was revised to \$900m and then back to \$850m.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing spot and forward rates for the pound against various currencies.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing spot and forward rates for the dollar against various currencies.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates between various currencies.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates.

MONEY RATES

Table showing money rates for various currencies.

LIFFE LONG GAT FUTURES OPTIONS

Table showing LIFFE Long Gat futures options.

LIFFE 65 OPTIONS

Table showing LIFFE 65 options.

PHILADELPHIA 65 OPTIONS

Table showing Philadelphia 65 options.

LONDON (LIFFE)

Table showing London (LIFFE) market data.

CHICAGO

Table showing Chicago market data.

U.S. TREASURY BILLS

Table showing U.S. Treasury Bills.

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FTSE 100 INDEX

Table showing FTSE 100 index.

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LIFFE US TREASURY BOND FUTURES OPTIONS

Table showing LIFFE US Treasury Bond futures options.

LIFFE EURO-DOLLAR OPTIONS

Table showing LIFFE Euro-dollar options.

LIFFE SHORT STERLING

Table showing LIFFE Short Sterling.

LIFFE 65 OPTIONS

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Table showing LIFFE Euro-dollar options.

LIFFE FT-SE INDEX FUTURES OPTIONS

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LIFFE EURO-DOLLAR OPTIONS

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Investor's Guide to the Stock Market by Gordon Cummings

Learn how to turn a gamble into a calculated risk.

Written for everyone who knows that they ought to look after their savings more seriously.

Whether you are new to the D.I.Y. investment scene or are already managing your own portfolio.

Table with columns for use, title, UK price, overseas price.

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WORLD STOCK MARKETS

Main table of world stock markets including sections for New York (Dow Jones), Canada, Australia, Japan, France, Germany, Italy, and Sweden. Each section lists various stocks with their respective prices and changes.

Indices section containing tables for New York Dow Jones, Canada, Australia, Japan, France, Germany, Italy, and Sweden. It provides summary data for major indices including high/low values, percentage changes, and trading activity.

Handwritten note in Arabic script: 'هكذا هو الحال' (This is the situation).

WORLD STOCK MARKETS

Heavy engineering tops world league in 1988 battle of the sectors

THE clever - and now wealthier - global investor for 1988 was the one who checked out defensive shares and stocked up on cyclical.

forming sectors in 1988 - as industry worldwide went on a spending spree to cope with capacity constraints.

Table with 2 columns: Sectoral performance worldwide % change in local currency terms 31/12/87 to 30/12/88. Rows include Heavy eng/ship/bldg (101.5), Metals/minerals (68.8), Property (45.0), Wholesale trade (44.8), Automobiles (40.4), Bottom five (9.0), Precious metals/mines (-9.0), Bus aer/comp s/ware (0.3), Computers/off equip (3.6), Health/personal care (8.2), Divers cons gds/servs (8.8).

per cent - in line with its domestic market - while in the US, General Motors finished the year up 35 per cent, better than the US market's 12.6 per cent climb.

manne, with only a few stocks standing out. The industry was another beneficiary of healthy consumer demand, as strong sales of such goods as dishwashers, microwave ovens and cars helped increase demand for plastics, but share prices rose worldwide by just 15.3 per cent.

Table with 2 columns: Sectoral performance Europe ex-UK; % change in local currency terms 31/12/87 to 30/12/88. Rows include Electronics/instrument (144.5), Bus aer/comp s/ware (105.0), Wholesale trade (100.7), Metals/minerals (90.8), Divers cons goods (89.5), Bottom five (3.6), Property (8.1), Computers/off equip (10.3), Utilities (17.4), Financial inst (20.5).

the Netherlands' Gist-Brocades rose by 78 per cent.

choice - except in continental Europe, where it outperformed largely on the sharp rise in Swiss employment agency Adia.

AMERICA

Jobs figures send Dow past 2,200

THE NEWS of robust, but not excessive, growth in US employment helped to sustain Wall Street's new-found optimism for equities and pushed the Dow Jones Industrial Average decisively above 2,200 for the first time since the Black Monday crash.

for several days running.

rising % to 89%, a price at which it yielded 9.082 per cent.

EJR Nabisco, which rose 31% to \$85% as arbitrageurs prepared to cash in on the company's leveraged buyout.

EUROPE

Speculative fervour engulfs Paris

THE FRENCH market was again the star in Europe, while Milan, Madrid and Stockholm were closed for Epiphany.

change hands in Paris, jumping 11 per cent. Speculative stock Parier rose FF63, or 4.1 per cent, to FF1,612 on 85,000 shares and Pernod climbed FF90 to FF1,306 on 55,000 shares.

The story depressed other chemicals and the broader market. But Metallgesellschaft managed a DM14.80 rise to DM389.80 on a re-evaluation of the sector and speculation that Swedish Wallenberg group was interested in a stake.

One analyst said the market's strength was "amazing" given its rise late last year and the fact that many fund managers were still on holiday.

ASIA PACIFIC

Defence stocks feature as Nikkei slows

Tokyo: RENEWED concern about the Emperor's condition and a weakening of the yen cast a shadow over the market, but interest in issues with specific incentives helped share prices post a modest gain.

as the most promising company in terms of share price performance for the year.

theless managed to end 8.11 better at 2,766.55.

Turnover was active at HK\$1.42bn but less than Thursday's HK\$1.81bn.

WORLD INSURANCE REPORT, WORLD LOSS REPORT, WORLD POLICY GUIDE

THREE essential insurance publications from the FTBI Insurance Group. World Insurance Report, World Loss Report, World Policy Guide.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Weed Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with 4 columns: NATIONAL AND REGIONAL MARKETS, THURSDAY JANUARY 5 1989, WEDNESDAY JANUARY 4 1989, DOLLAR INDEX. Rows include Australia (100), Austria (100), Belgium (100), Denmark (100), Finland (100), France (100), Germany (100), Hong Kong (100), Italy (100), Japan (100), Malaysia (100), Mexico (100), Netherlands (100), New Zealand (100), Norway (100), Singapore (100), South Africa (100), Spain (100), Sweden (100), Switzerland (100), United Kingdom (100), USA (100).

Base value: Dec 31, 1988 = 100; Finland: Dec 31, 1987 = 115.037 (US \$ index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 139.62 (US \$ index), 114.42 (Pound Sterling) and 123.18 (Local). Copyright © The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited, 1987. Latest prices were unavailable for this edition.

Form with fields: Name, Position, Company, Address, Postcode, Tel., Fax, Telex. Includes a 'Please return to:' section with contact information for FTBI Insurance Group.

FTBI Insurance Group publications produced by a worldwide network of contributors and an experienced London editorial team set the industry standard for specialist insurance reporting.

LONDON STOCK EXCHANGE Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tallyman system.

For close securities in which no business was recorded in Thursday's Official List the latest recorded business in the three previous days is given with the relevant date.

† Bargains at special prices. ‡ Bargains done the previous day. Bargain done with non-member or executed in overseas markets.

Corporation and County

Stocks No. of bargains included 6
London County 2 1/2% Cons Ss 1980/81
London County 2 1/2% Cons Ss 1982/83
London County 2 1/2% Cons Ss 1983/84

UK Public Bonds

No. of bargains included 23
Agricultural Mortgage Corp PLC 6 1/2% Deb Ss 1980/81
Agricultural Mortgage Corp PLC 6 1/2% Deb Ss 1981/82
Agricultural Mortgage Corp PLC 6 1/2% Deb Ss 1982/83

Foreign Stocks, Bonds, etc (coupons payable in London)

No. of bargains included 11
Spain 10% Govt Bond 1984/85
Spain 10% Govt Bond 1985/86
Spain 10% Govt Bond 1986/87

Starting Issues by Overseas Borrowers

No. of bargains included 38
Asian Development Bank 10 1/2% Ln Ss 2003/04
Asian Development Bank 10 1/2% Ln Ss 2004/05
Asian Development Bank 10 1/2% Ln Ss 2005/06

Banks and Discount Companies

No. of bargains included 1015
Bank of Ireland Govt & Co 0 7/8% Ln Ss 88/89
Bank of Ireland Govt & Co 0 7/8% Ln Ss 89/90
Bank of Ireland Govt & Co 0 7/8% Ln Ss 90/91

Breweries and Distilleries

No. of bargains included 441
Allied-Lycopers PLC 1 1/2% Ln Ss 88/89
Allied-Lycopers PLC 1 1/2% Ln Ss 89/90
Allied-Lycopers PLC 1 1/2% Ln Ss 90/91

English Electric Co Ltd 6 1/2% Deb Ss 88/89
European Home Products PLC 8 1/2% Cum Prt Ss 2001/02
European Home Products PLC 8 1/2% Cum Prt Ss 2002/03

Financial Trusts, Land, etc

No. of bargains included 325
Anglo Trust PLC 1 1/2% Cum Subord Ln Ss 88/89
Anglo Trust PLC 1 1/2% Cum Subord Ln Ss 89/90
Anglo Trust PLC 1 1/2% Cum Subord Ln Ss 90/91

Insurance

No. of bargains included 525
Australasian Investment Trust PLC Warrants to sub for Ord - 120
Australasian Investment Trust PLC Warrants to sub for Ord - 120

Investment Trusts

No. of bargains included 557
Australasian Investment Trust PLC Warrants to sub for Ord - 120
Australasian Investment Trust PLC Warrants to sub for Ord - 120

Northern Assurance Trust PLC 3 1/2% Cum Prt Ss - 254 (A488)
Scottish Eastern Trust PLC 0 3/4% Deb Ss 2000 - 2002
Scottish National Trust PLC 10% Deb Ss 2011 - 2013 (A308)

Unit Trusts

No. of bargains included 188
M.G. & Co. General Fund Inc - 30 (A488)
M.G. & Co. General Fund Inc - 30 (A488)
M.G. & Co. General Fund Inc - 30 (A488)

Mines - Miscellaneous

No. of bargains included 188
Anglo American PLC 10% Ln Ss 88/89
Anglo American PLC 10% Ln Ss 89/90
Anglo American PLC 10% Ln Ss 90/91

Mines - South African

No. of bargains included 10
Barnes Exploration Ltd 80/81 - 43
Barnes Exploration Ltd 80/81 - 43
Barnes Exploration Ltd 80/81 - 43

Oil

No. of bargains included 1339
British Gas PLC 2 1/2% (Fixed Transfer) - 275 (A488)
British Gas PLC 2 1/2% (Fixed Transfer) - 275 (A488)
British Gas PLC 2 1/2% (Fixed Transfer) - 275 (A488)

Property

No. of bargains included 455
Allied London Properties PLC 3 1/2% Cum Prt Ss 1988/89
Allied London Properties PLC 3 1/2% Cum Prt Ss 1989/90
Allied London Properties PLC 3 1/2% Cum Prt Ss 1990/91

Water Works
No. of bargains included 10
Bristol Waterworks Co
Bristol Waterworks Co
Bristol Waterworks Co

USM Appendix

No. of bargains included 885
Apollo Metals PLC 10% Ln Ss 88/89
Apollo Metals PLC 10% Ln Ss 89/90
Apollo Metals PLC 10% Ln Ss 90/91

Plantations

No. of bargains included 9
Anglo-Eastern Plantations PLC Warrants to sub for Ord - 30 (A488)
Anglo-Eastern Plantations PLC Warrants to sub for Ord - 30 (A488)
Anglo-Eastern Plantations PLC Warrants to sub for Ord - 30 (A488)

Shipping

No. of bargains included 168
Bergeyam G-ASB Non Vtg Cons NIS - 85 (A488)
Bergeyam G-ASB Non Vtg Cons NIS - 85 (A488)
Bergeyam G-ASB Non Vtg Cons NIS - 85 (A488)

The Third Market Appendix

No. of bargains included 4
Barnes Exploration Ltd 80/81 - 43
Barnes Exploration Ltd 80/81 - 43
Barnes Exploration Ltd 80/81 - 43

Utilities

No. of bargains included 10
British Gas PLC 2 1/2% (Fixed Transfer) - 275 (A488)
British Gas PLC 2 1/2% (Fixed Transfer) - 275 (A488)
British Gas PLC 2 1/2% (Fixed Transfer) - 275 (A488)



Advertisement for 'International' magazine, featuring a coupon and promotional text about free news on money for those living abroad.

RULE 835 (a) (ii)
Bargains marked in securities where principal market is outside the UK and Republic of Ireland.

† Bargains at special prices. ‡ Bargains done the previous day. Bargain done with non-member or executed in overseas markets.

RULE 835 (b)

incorporated in the UK and Republic of Ireland but not resident anywhere.

RULE 835 (c)

All Eas. Leas. Term. Deb. £500,000, 11% 1987/88

RULE 835 (d)

incorporated in the UK and Republic of Ireland but not resident anywhere.

RULE 835 (e)

All Eas. Leas. Term. Deb. £500,000, 11% 1987/88

RULE 835 (f)

incorporated in the UK and Republic of Ireland but not resident anywhere.

RULE 835 (g)

All Eas. Leas. Term. Deb. £500,000, 11% 1987/88

LONDON STOCK EXCHANGE

FT-SE Index closes above 1800

THIS LONDON equity market wound up the week in confident mood with firmness in the US dollar and in most other global stock markets offsetting less favourable developments on the home front.

Although it is an open secret that other leading trading firms will shortly consider trimming, or rationalising their market trading operations, the latter lines have now lightened perceptibly.

Crash highs in German and Japanese equity markets. Once again a scattering of special situations enlivened London, notably the much-awaited defence document from Plessey against the £1.7bn joint GEC-Siemens bid.

Speculators were also taking their money in United Biscuits, but dealers said that they were matched at every level by buyers.

French investors continued to display a healthy appetite for shares of Eurotunnel which raced to a new peak of 543p, up 33.

FINANCIAL TIMES STOCK INDICES

Table with columns for Jan 5, Jan 4, Jan 3, Dec 30, and 1988/89. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div Yield, P/E Ratio, and various market indices like FT-SE 100, FT-SE 250, etc.

Heavy electronic business

The Plessey offer document was duly posted to shareholders and was accompanied by plenty of action in shares of Plessey and GEC which, jointly with Siemens, is bidding 225p a share for the UK electronics group.

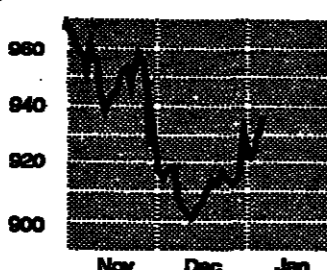
GEC shares were among the market's most active with turnover topping 15m. It was suggested that Plessey had again been attempting to put together a consortium bid for GEC and had approached, among others, Hanson, American AT & T and French group Thomson CSF.

Plessey shares were boosted by news that GEC and Siemens had jointly bought 5m Plessey shares, or some 0.7 per cent of the issued capital, at 225p a share.

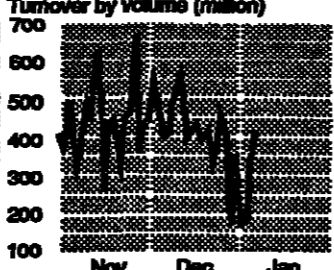
Dealers said the GEC/Siemens buying appeared designed to demonstrate the ability of the two companies to pick up Plessey shares at their own risk.

The document itself was described as "totally predictable, but we didn't really expect the company to show its hand until much later in the day."

FT-A All-Share Index



Equity Shares Traded



Lombard ticked higher when a series of early trades aroused suspicions of an impending development in the long-running Bond Corporation saga.

Mr Robert Sassoon of County NatWest WoodMac said he had put Lombard back on the bid list because investment interest should return ahead of the annual results.

The international blue chips continued to move up behind a firm dollar and an easier pound.

The concentration of action in GEC/Plessey tended to overshadow other activity in the front line electronics.

Stores were firmer with the market, despite a flood of downgrading from Mr Nick Bubb, analyst at Morgan Stanley. Describing his changes as "a little fine tuning", Mr Bubb reduced his forecasts in Sears, Storehouse, Dixons, and Marks and Spencer.

Life assurances featured London and Manchester which raced up 7 to 245p after switching out of Pearl which earlier this week revealed disappointing new life business.

Guinness sea-sawed wildly, gaining 8 to 345p before dropping back to end the day unchanged at 340p.

The International blue chips continued to move up behind a firm dollar and an easier pound.

The concentration of action in GEC/Plessey tended to overshadow other activity in the front line electronics.

BSR, involved late last year in unsuccessful merger talks, moved up 3 more to 63p amid speculation that bid news could well be on the cards.

French investors continued to display a healthy appetite for shares of Eurotunnel which raced to a new peak of 543p, up 33.

Dealers reported that such was the Continental interest, UK indexed funds requiring shares - the stock became a constituent of the FT-SE index this month - were being outbid.

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TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various stocks including BHP, BT, GKN, ICI, etc.

MacCarthy was another to advance while awaiting preliminary figures, due next Thursday, and ended 19 up at 238p.

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Nomura likes ICI

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Mr Robert Sassoon of County NatWest WoodMac said he had put Lombard back on the bid list because investment interest should return ahead of the annual results.

NEW HIGHS AND LOWS FOR 1988

Table listing new highs and lows for 1988 for various companies like BHP, BT, GKN, etc.

RISES AND FALLS

Table showing rises and falls for various companies like BHP, BT, GKN, etc.

LEADERS AND LAGGARDS

Table showing percentage changes since December 30 1988 for various sectors like Electronics, Insurance, etc.

BENCHMARK GOVERNMENT BONDS

Table showing benchmark government bonds for UK Gilts, US Treasury, etc.

COMMODITIES

WEEK IN THE MARKETS

Coffee climbs to 11-month high

LONDON COFFEE futures have begun 1989 with a performance which most traders would have considered scarcely possible only a few months ago.

Coffee Agreement, raising the total from 58m bags to 59m. That was under the first phase of a special deal thrashed out between producing and consuming members of the pact at the beginning of October.

Concern about supply tightness continued to be the driving force in both markets, with sterling's decline against the dollar adding further fuel to copper's rise.

The US Department of Agriculture forecast yesterday that Brazil's 1989/90 harvest would be about 28m bags, but most London traders thought that figure was too high.

The copper record was in the three months delivery position, which reached £1,782.50 a tonne, while the cash quotation of £1,945.50 a tonne on Wednesday remained well below last month's all-time peak of £2,004 a tonne.

Another buoyant market has been freight futures. A shortage of tonnage available for chartering, following the booking of many vessels to carry grain to the Soviet Union.

highest levels since last March. In contrast the cocoa market remained in the doldrums, in spite of the long-awaited final confirmation of a deal to take surplus Ivory Coast beans off the market.

Another buoyant market has been freight futures. A shortage of tonnage available for chartering, following the booking of many vessels to carry grain to the Soviet Union.

APPOINTMENTS

Top team formed at Commercial Union

Mr J.G.T. Carter and Mr A.R. Ward, general managers and directors of COMMERCIAL UNION ASSURANCE COMPANY, will form the corporate management team as executive directors, together with Mr A.L. Bland, chief executive.

Mr Robert Ward-Jones has joined RENTOKIL as company secretary and group legal director designate.

Mr M.J. GLEESON has made the following board changes: Mr Win Bruce becomes deputy chief executive of the group.

At SEDGWICK GROUP Mr M.C. Harrison becomes group personnel director.

Changes at Waterford



WATERFORD GLASS has made the following appointments: Mr Paddy Byrne, chairman and chief executive of the Wedgwood Group, additionally has become chief operating officer for all Waterford Wedgwood Group activities in Ireland and the UK.



Mr Graham Williams has been appointed managing director of NORWON MOTORS. He was managing director of the specialist and light aircraft engine division of Rolls Royce Motors.



Mr Mervyn N.B. Higlett has been appointed a director of MIM.

At CLYDE PETROLEUM Mr Stanley D. Rendall, operations director, will become managing director of Clyde Petroleum (Netherlands) with Clyde's Dutch operations and will cease his executive duties in the UK.

ESB BUILDING MANAGEMENT SERVICES has reorganised its board. Mr Richard Smith has been made chairman.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-625-2128

AUTHORISED UNIT TRUSTS

Table listing various unit trusts under the 'AUTHORISED UNIT TRUSTS' section, including names like Abbey Unit Trust, Abstract Management Ltd, and others.

Table listing unit trusts such as Abacus Unit Trust, Abacus Unit Trust, Abacus Unit Trust, and others.

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GUIDE TO UNIT TRUST PRICING. Section explaining how unit trust prices are calculated, including details on bid and offer prices, and the role of the FT Cityline help desk.

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FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-825-2128

Main table containing unit trust information, organized into columns for various trust categories such as 'Other UK Unit Trusts', 'Life Insurance', and 'General Investment'. Each entry includes the trust name, provider, and numerical values.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-823-2128

Main table containing unit trust information with columns for Name, Code, Price, and other details. The table is organized into multiple columns and rows, listing various investment funds and their current market prices.

IoM AUTHORISED

Table listing IoM authorised unit trusts, including names like Allied Dunbar International Fund and their respective prices.

BERMUDA AUTHORISED

Table listing Bermuda authorised unit trusts, including names like BCI Financial Services and their respective prices.

JERSEY AUTHORISED

Table listing Jersey authorised unit trusts, including names like Jersey Investment Services and their respective prices.

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

GUERNSEY AUTHORISED

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Main table for FT Unit Trust Information Service, listing various unit trusts with columns for name, value, and performance metrics.

Table for London Share Service, including sections for British Funds, Foreign Bonds & Rails, and Americans, with columns for fund names, prices, and yields.

OTHER OFFSHORE FUNDS

Table for Other Offshore Funds, listing international and offshore unit trusts with their respective values and performance data.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

Table for International Bank and Overseas Government Sterling Issues, listing specific investment vehicles and their details.

COMMONWEALTH & AFRICAN LOANS

Table for Commonwealth and African Loans, listing investment options in these regions with associated values and yields.

Money Market Trust Funds

Table for Money Market Trust Funds, listing various trust funds and their performance metrics.

Money Market Bank Accounts

Table for Money Market Bank Accounts, listing bank accounts and their interest rates and terms.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

AMERICANS - Contd. Table with columns for Stock, Price, and other financial data.

CANADIANS. Table with columns for Stock, Price, and other financial data.

BANKS, HP & LEASING. Table with columns for Stock, Price, and other financial data.

Hire Purchase, Leasing, etc. Table with columns for Stock, Price, and other financial data.

BEERS, WINES & SPIRITS. Table with columns for Stock, Price, and other financial data.

BUILDING, TIMBER, ROADS. Table with columns for Stock, Price, and other financial data.

BUILDING, TIMBER, ROADS - Contd. Table with columns for Stock, Price, and other financial data.

CHEMICALS, PLASTICS. Table with columns for Stock, Price, and other financial data.

DRAPERY AND STORES. Table with columns for Stock, Price, and other financial data.

ELECTRICALS. Table with columns for Stock, Price, and other financial data.

ENGINEERING. Table with columns for Stock, Price, and other financial data.

ENGINEERING - Contd. Table with columns for Stock, Price, and other financial data.

FOOD, GROCERIES, ETC. Table with columns for Stock, Price, and other financial data.

HOTELS AND CATERERS. Table with columns for Stock, Price, and other financial data.

INDUSTRIALS (Misc.) Table with columns for Stock, Price, and other financial data.

INDUSTRIALS (Misc.) - Contd. Table with columns for Stock, Price, and other financial data.

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INDUSTRIALS (Misc.) - Contd. Table with columns for Stock, Price, and other financial data.

INSURANCES. Table with columns for Stock, Price, and other financial data.

LEISURE. Table with columns for Stock, Price, and other financial data.

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-425-2128

LEISURE - Contd. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various leisure companies and their market performance.

PROPERTY. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various property companies and their market performance.

TEXTILES - Contd. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various textile companies and their market performance.

TRUSTS, FINANCE, LAND - Contd. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various trusts, finance, and land companies.

OIL AND GAS - Contd. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various oil and gas companies.

MINES - Contd. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various mining companies.

MOTORS, AIRCRAFT TRADES. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various motor and aircraft trade companies.

Commercial Vehicles. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various commercial vehicle companies.

Comments. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various companies with additional comments.

Garages and Distributors. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various garage and distributor companies.

NEWSPAPERS, PUBLISHERS. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various newspaper and publisher companies.

PAPER, PRINTING, ADVERTISING. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various paper, printing, and advertising companies.

TOBACCO. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists tobacco companies.

TRUSTS, FINANCE, LAND. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various trusts, finance, and land companies.

Investment Trusts. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various investment trusts.

Finance, Land, etc. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various finance, land, and other companies.

OIL AND GAS. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various oil and gas companies.

OVERSEAS TRADERS. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various overseas trader companies.

Plantations. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various plantation companies.

Mines. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various mining companies.

Far West Road. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various Far West Road companies.

Diamond and Platinum. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various diamond and platinum companies.

Central African. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various Central African companies.

Finance. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various finance companies.

OIL AND GAS. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various oil and gas companies.

Rubbers, Palm Oil. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various rubber and palm oil companies.

Tees. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various Tees companies.

Central Rand. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various Central Rand companies.

Eastern Rand. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various Eastern Rand companies.

Far West Road. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various Far West Road companies.

Diamond and Platinum. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various diamond and platinum companies.

Central African. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various Central African companies.

Finance. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various finance companies.

MISCELLANEOUS. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various miscellaneous companies.

THIRD MARKET. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various third market companies.

NOTES. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various notes and financial instruments.

REGIONAL & IRISH STOCKS. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various regional and Irish stocks.

TRADITIONAL OPTIONS. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various traditional options.

Regional & Irish Stocks. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various regional and Irish stocks.

Traditional Options. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various traditional options.

PAPER, PRINTING, ADVERTISING. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various paper, printing, and advertising companies.

SHIPPING. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various shipping companies.

SHOES AND LEATHER. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various shoes and leather companies.

SOUTH AFRICANS. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various South African companies.

TEXTILES. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various textile companies.

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OIL AND GAS. Table with columns: Stock, Price, %Ch, Div, Yield, P/E. Lists various oil and gas companies.

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Weekend FT

SECTION II

Weekend January 7/January 8, 1989

A City at war with itself

Thirty years ago this week, an American giant won a bitter battle for British Aluminium - and the Square Mile has never been the same since. David Kynaston looks back

ALMOST everyone agrees that, by the 1950s, the City of London had become a rather dull, inward-looking, even parochial place. The well-known families continued to rule the great merchant banking houses; the single-capacity, minimum-commission Stock Exchange was protected from foreign competition by the notion of a hostile takeover bid was still almost unheard-of. To that comfortable world, sliding downwards gently, the legendary "Aluminium War" of 1958-59 came like a bombshell - and gave the City one of the most notable set-piece episodes of its history. The time has come for re-assessment.

The origins of the war lay in the decision in 1957 by the aggressive, expansionist Reynolds Metals of Virginia to attempt to acquire British Aluminium and, in particular, the plant in Quebec it had begun recently to build. Reynolds took advice from Sir C. Warburg - who insisted that if the bid was to succeed, it must have to be made in conjunction with a British firm. The ally chosen for this purpose was a Midlands engineering group, Tube Investments, essentially the creation of the self-made, strongly non-paternalist Sir Ivan Stedeford. TI in turn took advice from Halbert Wargburg (headed by the equally self-made Fraser) and J. Henry Schroder. Together, Reynolds and TI quietly built up a 10 per cent stake in British Aluminium by the early autumn of 1958.

(which, over the coming weeks, offered itself increasingly as the voice of the investing public as a whole).

Even when Portal tried to attack, it served him ill. Thus, when he accused Reynolds-TI, rashly, of seeking "to acquire a powerful empire at the price of a small kingdom," the *Economist* expressed bafflement as to why, in that case, Alcoa should have been let in "for the price of a small municipality." When he announced suddenly that, if the Alcoa deal went through, the BA board would increase its 1958 dividend from 12 to 17 per cent, *The Times* wondered about the economic logic and remarked that such a move "invites the criticism that the increase is solely the result of Tube Investments' intervention."



Why did these famous names put themselves out on such a limb? Few have suggested it resulted from a dispassionate analysis of the industrial problems facing BA (although, in fact, there was a perfectly good industrial case to be made for that board's preference). Nor, probably, was it on nationalistic grounds - despite some propaganda points to that effect in the circular - for most good judges realised that, whatever the outcome, BA would find itself effectively under American control. Instead, commentators, then and later, assumed it was essentially a "cultural" response by the City establishment based on a snobbish dislike of the outsiders or parvenus on the other side (above all, of course Warburg).

At a start of 1959, the Square Mile was sent as never before. This has gone far enough," the *FT* stated bluntly on January 2, explaining: "The British Aluminium dispute has now reached a stage at which it could do serious damage to the interests of the City of London." The two sides now seem to be in a mood of considerable mutual bitterness and recrimination.

entrenched belief that, within that citadel, the board knew best. Warburg undoubtedly had the press on his side in these crucial days. The *Evening Standard* was unanimous. On January 1, the *Evening Standard* ran an interview with Fraser in which he condemned the consortium's action as "unprogressive" and declared that "the whole thing smacks of fear." The following day, it had a picture of the "battling" Stedeford and made much of "our own Tube Investments." In the *Daily Express*, the City editor offered unequivocal advice on the 5th: "Take the 65c from Sir Ivan or through the markets." *The Times* concurred; so also, on the 5th, did the magisterial Winspear in the *FT*. "Few may now see the advantage of accepting the offer put forward last week by a syndicate of brokers and others."

Church Times was unable to persuade their spokesman to divulge details. What no account has answered before now is why the consortium failed to enter the market where the war manifestly was being resolved. Whatever Alcoa's semi-reluctance compared to Reynolds, it is hard to believe that the consortium did not have the potential resources to mount such a buying operation on its own account. Almost certainly, the reason was the instinctive reluctance of Hambros and Lazard, supported by their brokers, to enter the market while peace negotiations were still in progress under the auspices of the governor of the Bank. Warburg, however, felt no such constraint and, in so doing, rewrote the rules of the game. It is hard to believe that in a comparable situation today, the banks and their advisers would stand aloof from the battlefield.

Perhaps the most apposite comment, though, came from that prophet of a share-owning democracy, Harold Wincott. In his first post-bellum column in the *FT*, he expressed astonishment at the initial remoteness shown by the BA board towards "the man-in-the-street shareholder" before adding in timeless fashion: "Given half a chance, he will express his displeasure with his directors as surely as passengers on London Transport express their when they similarly feel they are being pushed around without being told the reason why."

The Long View

Time for a home-owners' revolt

WHY AREN'T we all refusing to put up with the absurdly high mortgage interest rates that are now being imposed on us? Interest at 14 per cent when the underlying rate of inflation is only 6 per cent must count as one of today's least necessary burdens.

Europeans have got it right. German home purchasers for example are currently offered five, ten or 15-year mortgages at fixed rates of 7 per cent. But UK building societies have always funded their long-term mortgages from their short-term deposits and the banks followed suit when they entered the market in the early 1950s. Historically, the building societies had a sound rationale for continuing this potentially unstable mismatch between the maturity of their assets and their liabilities. Short-term interest rates have generally been below long-term rates and so the mismatch gave borrowers a favourable deal.

But innovators should be able to sidestep such obstacles by linking the repayment to an objective formula, based on the market price of the underlying bond. Thus, if interest rates rose, the mortgages would be given a premium for early redemption rather than having to pay a penalty. The innovators would have to ensure that the risks of a fixed rate, fixed-term mortgage were fully understood by the borrowers.

term money on the finest terms, seem incapable of doing anything new, particularly when it would mean the disruption of all their finely tuned and comfortable operating procedures. And even the new specialist mortgage institutions have been over-impressed with the US-style mortgage which allows easy early redemption but at the cost of higher interest rates.



CLIVE WOLMAN

The interest rate hike has led to a shrinkage of the mortgage market and competitive pressures must stimulate innovation

Older borrowers are unlikely to be attracted to fixed-rate, fixed-term mortgages. But most younger borrowers should find bearable the limited risks of having to redeem early and pay penalties, particularly as long-term interest rates have remained remarkably stable since 1982.

12.8% PER ANNUM

Looking for high regular income from an investment of £1000 or more.

Look no further than MIM Britannia Jersey Gift Fund Limited.

The investment objective of the Fund is to provide you with an immediate high level of income and this is paid every three months. The Fund is based in Jersey so no tax is deducted, unlike U.K. Bank deposit and Building Society accounts. U.K. residents however may, depending on their circumstances, be liable to U.K. taxation in respect of the income they receive.

In times of static or rising interest rates, the level of income paid to investors may be at the expense of capital. This results from the purchase of Gilts above their redemption levels. This is fully explained in the literature you will receive in response to your enquiry.

The current yield of 12.8% is based on the Directors' current dividend policy and the price of shares at 3.1.89.

It should be remembered that the price of shares and the income from them can go down as well as up and that past performance is not a guide to the future.

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Current Portfolio (as at 31.8.89)

U.K. Government Securities (Giltis)	81%
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The Fund is an open-ended investment company registered and based in Jersey. Its shares are listed on The International Stock Exchange, London, and it is also registered in Hong Kong. It is certified as a "Distributing Fund" under the provisions of the U.K. Finance Act 1984 in respect of its accounting period ended on 31st October 1987.

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MARKETS

LONDON

Extravagant hopes take a nose-dive

THE CITY normally manages to ignore the rises and falls in the unemployment rate but this week traders have, for once, been more interested in news of job losses than in movements in the FT-SE 100 index.

securities turnover, post-Big Bang, have proved unfounded. Hoare Govett had been one of the three largest and most profitable gilt brokers before the Big Bang changed dramatically the way that UK government securities were traded.

ing, with another 155 redundancies resulting. Chase had acquired two broking firms, Simon & Coates and Laurie Milbank, rather than picking up one of the jobbing groups.

SEAQ volume did pick up as the week went on but it still remains far short of its pre-crash levels. There were occasional firings as speculators seized on stocks; United Biscuits rose more than 10 per cent on Wednesday on rumours that Suchard, the Swiss group which unsuccessfully bid for Rowntree last

On Wednesday, Security Pacific, Hoare Govett announced that it was pulling out of market-making in gilts and Eurobonds. The decision meant around 135 job losses in London and 15 in Geneva plus a further 50 in Tokyo, where the group is withdrawing from the business of selling Japanese securities to local investors.

The news illustrated further how the extravagant hopes of a vast and permanent increase in

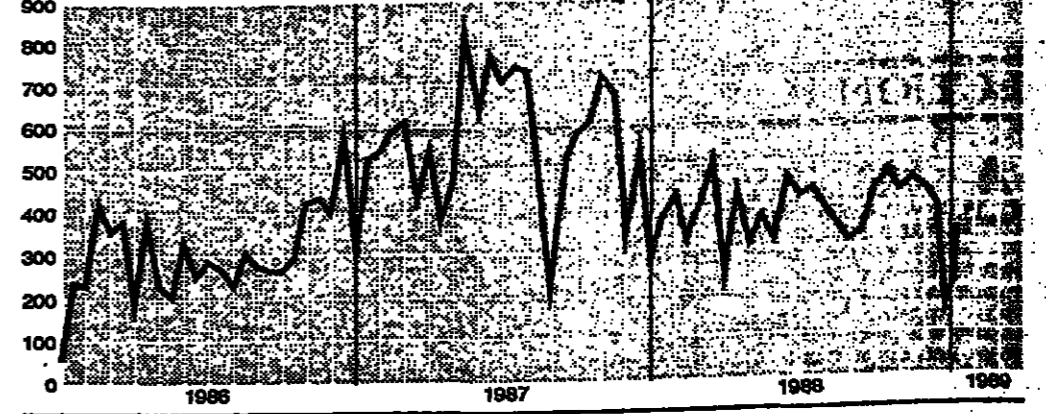
Results were thin on the ground and the main corporate news of the week was BP's decision to spend £2.4bn buying back 11.7 per cent of its shares from the Kuwait Investment Office. The deal allows the KIO to comply with the Government's order to cut its stake, acquired in the aftermath of 1974's disastrous share offer, back to 9.9 per cent.

Another group which has been faced with one large shareholder, publisher William Collins, this week admitted defeat and advised shareholders to accept a bid from Rupert Murdoch's News International. The multinational media group had offered a 41.7 per cent stake in Collins ever since an earlier bid failed in 1981.

The debate over whether Chancellor Nigel Lawson can mastermind a "soft landing" for the UK economy also keeps

Stock Exchange Equity Shares Traded

Average daily turnover by volume (million)



bobbing along with further statistical evidence this week. Figures showed that personal savings as a proportion of income fell to a record level in the third quarter of last year, indicating the strength of the consumer boom. However, doubts were raised about the accuracy of the statistics and, in any case, they related to a period before the base rate rises started to bite on con-

sumers spending. The Chancellor himself, interviewed in the Financial Times, warned that the economy could go into recession if businesses fail to control costs and repeated his determination to use monetary policy to fight inflation.

The markets are still waiting for some news which will enable Footsie to break through the 1,750-1,800 range in which it has been trading since the start of last year. At the moment, the index is stuck in the middle of the range; it is likely to need either a fall in interest rates or some evidence of pre-crash growth to break through the top. Until it does, and until some bullish enthusiasm returns to the market, traders' jobs will continue to be at risk.

Philip Coggan

FINANCE & THE FAMILY: THIS WEEK

Capital Bonds: the pros and the cons

Is it worth buying the new Capital Bonds, launched for sale this week, by National Savings? You would have to look away from five years without getting any return but, for standard and high rate taxpayers, they do have the appeal of a government-backed guarantee of a known interest rate over that period. John Edwards examines the situation and finds there are complications. Page 11

Dawn of a new era

A new era has started. The banks, worried by increasing competition from building societies, are deciding to give a considerably better deal, not only in paying interest on current accounts but also in running small overdrafts without having to pay prohibitive charges. John Edwards spells out the changes. Page 11

Don't judge too soon

At the end of 1988, an unhappy year for the UK stock market, the shutters were down at many fund management groups. But is it all bad news? Heather Farnborough looks at trusts and points out that a year is a short time to make a judgment. Page 11

Awaiting the mortgage shock

For those whose housing loans are adjusted annually, the latest mortgage increases will hit with a vengeance. But, says Richard Waters, don't spare too much sympathy for these people. They have paid a lower rate than many others for several months. Page 14

London Life: the latest

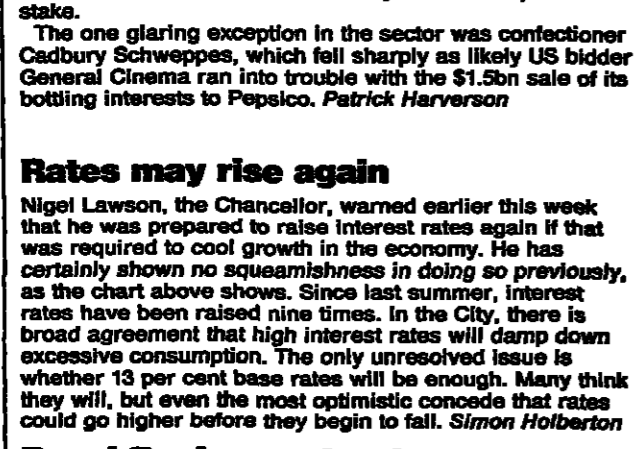
The board of the London Life assurance company this week renewed its battle to achieve approval from policy-holders of its proposed merger with the Australian Mutual Provident Society. Eric Short details the latest developments. Page 14

EXPATRIATES: Why exercise is important Page V

BRIEFCASE: Your questions answered Page V

Food Manufacturing

FT-Actuaries Index 14



Foods sector bites back

MAIN EXCITEMENT in the London stock market over the Christmas and New Year holiday period was the performance of the foods sector. The initial interest was provided at the tail-end of 1988 by the nail-biting climax to Iceland Frozen Foods' battle for Bejam, which the former won on the very last day. The momentum was then maintained by the news of Irish milkshare Larry Goodman's 8 per cent stake in dairy group Unigate; dealers speculated that Goodman was part of a European consortium preparing a bid.

Rates may rise again

Nigel Lawson, the Chancellor, warned earlier this week that he was prepared to raise interest rates again if that was required to cool growth in the economy. He has certainly shown no squeamishness in doing so previously, as the chart above shows. Since last summer, interest rates have been raised nine times. In the City, there is broad agreement that high interest rates will damp down excessive consumption. The only unresolved issue is whether 13 per cent base rates will be enough. Many think they will, but even the most optimistic concede that rates could go higher before they begin to fall. Simon Holberton

Royal Bank axes trusts

ROYAL BANK of Canada announced yesterday that it has pulled out of the unit trust business in the UK. It has sold its four UK unit trusts - Select Growth, Select Income, Select North American and Select International - to Windsor Life. The bank said that its decision was reached because of difficult stock market conditions and low investor activity, coupled with the impact of the Financial Services Act. John Edwards

Big fall in savings

Personal savings fell in the three months from July to September to the lowest level since figures were compiled, according to the Central Statistical Office this week. The savings ratio - defined as a proportion of personal disposable incomes - dropped during that period to only 1.3 per cent. This compared with 2.1 per cent in the previous period (April-June) and 5 per cent for the whole of 1987. The fall has brought speculation that the Chancellor will concentrate on measures to boost savings in his coming Budget. John Edwards

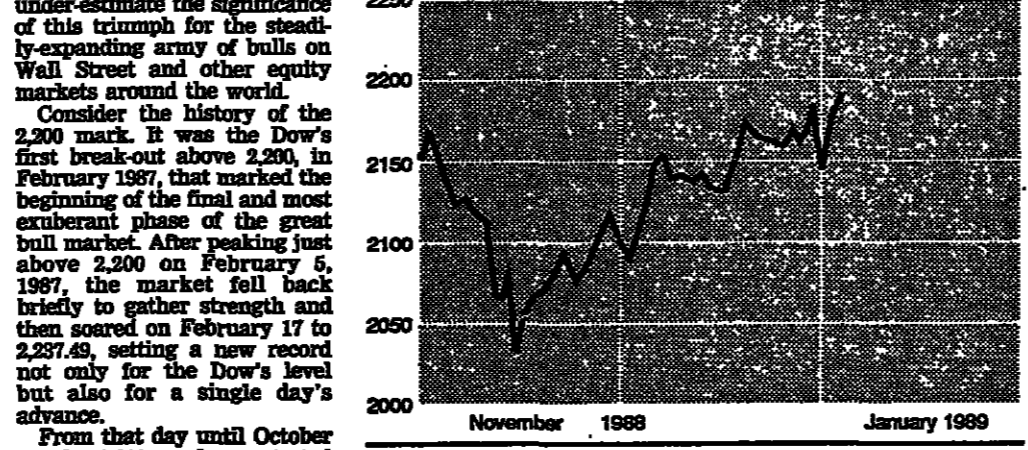
HIGHLIGHTS OF THE WEEK

Table with columns: Price y'day, Change on week, 1988/89 High, 1988/89 Low, and Firm/Share. Rows include FT Ord. Index, Bank, Birmah, Capital Radio, Courtauld, Eurohouse Units, GEC, Iceland Frozen Foods, Johnstones Paints, March Group, Pricedaily Radio, Sock Shop, THORN EMI, United Biscuits, and Waltham, Blake, Deane.

WALL STREET

Back to the magic mark

Dow Jones Industrial Averages



It happened again this week. On Thursday, the Dow rose as high as 2,905, a record since falling back to 2,190, which was still a new post-crash peak. Yesterday morning, the market tried a second time, gaining around 11 points within the first few minutes of trading. Although it had retreated below 2,900 by lunchtime, the indications seemed to be growing that the bulls finally would prevail.

The deal RTZ couldn't refuse

A WHOLE-HEARTED chorus of approval is being given by London's mining analysts to the agreement in principle reached this week for the RTZ Corporation to buy British Petroleum's world-wide mineral assets for \$4.33bn (£2.4bn). "It is a very unusual deal in that it is very good for both companies," says Euan Worthington, of Warburg Securities. "BP did not expect to get such a good price, but it was a once-in-a-lifetime opportunity for RTZ which had to be grabbed."

JUNIOR MARKETS

Blood-letting on the USM

IF YESTERDAY'S withdrawal from market-making by Chase Manhattan is part of a trend, it could spell trouble for USM investors. Taken together with the departure of Morgan Grenfell and the virtual exit of Citicorp Securities, Vickers from USM market-making last month, it raises the spectre of more volatile prices, greater difficulty in buying shares, and the risk of getting locked into particular holdings.

Anatole Kaletsky

RTZ is taking the assets, but hardly any liabilities - responsibility for only \$60m-worth of joint-venture project financing - and has lined up all the necessary cash already. If RTZ did borrow all the money, its gearing would go from all to 60 per cent, but Warburg's Worthington suggests operating profits from the BP assets could be about £270m this year, more than enough to cover interest charges if the money was borrowed in the US.

Blood-letting on the USM

Yorkshire and Humberside, with 5 per cent. "I think the number of USM listings bears a close relationship to the economic strength of an area," says David Carter, head of corporate financial services at Peat, the UK's largest firm of chartered accountants. Predictably, London and the south-east account jointly for 51 per cent of the total, with London notching up 22 new entries and the south-east 19. The south-west's share of 1988 listings was 5 per cent. East Anglia and the north each accounted for 4 per cent, the north-west, Scotland and the East Midlands each had 3 per cent, and Wales came bottom with 1 per cent.

Kenneth Gooding

Of the 88 companies which joined the second tier in the year, 14 were based in the region, a 17 per cent share of the total, substantially ahead of its nearest rival, Fiona Thompson & Vanessa Houlder

FINANCE & THE FAMILY

Dawn of a new banking era

THE NEW YEAR has opened on a happy note for customers of the main clearing banks. On Thursday, Lloyds launched its interest-bearing current account called Classic...

already. Midland says the strategy is an extension of the new approach to banking started by Vector, which has attracted more than 200,000 customers.

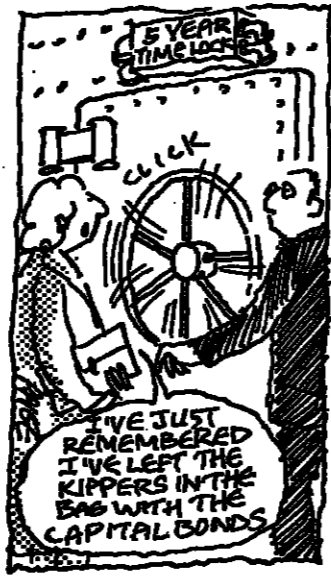
John Edwards on the National Savings Capital Bonds

A boost for non-taxpayers

IS IT worth buying the new Capital Bonds, just launched for sale this week by National Savings?

It is the first new product for three years from National Savings, a subsidiary of the Treasury, and is being presented by the government as part of its plan to boost personal savings.

on the amount that can be bought (the minimum purchase is only £100) is one of the new features of Capital Bonds. So is the fact that when the five-year term ends there is no further interest and the capital sum, together with accrued interest (described misleadingly as the capital growth) is repaid immediately.



More unusual is the tax situation. The interest is paid gross, but is liable to income tax on an annual basis and the Inland Revenue will send a statement of value to the bondholder indicating the amount of interest earned which is liable to tax.

there are several guaranteed bonds, issued by insurance companies, that pay a slightly higher rate than the Capital Bonds, and are considerably more flexible.

But for taxpayers there is limited appeal. Unless you think that interest rates are going to plummet in the next few years and are prepared to lock money away in anticipation of that happening.

Rankings tell a good story

FOR HUGH Young, the 30-year-old manager of Abrutrust Far East Emerging Economies and Abrutrust Pacific, 1988 was a good year for the two top-performing unit trusts.

rather than direct commodities. There is also a time lag between an upturn in trade and commodity prices, and this filters through to corporate profits and share prices.

time. Her top holdings are Singapore Airlines, Cathay Pacific, Singapore Land, New World, and New World International.

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Table with 7 columns: Account, Balance, Interest Net %, Net CAR %, Charges, Unsecured overdraft rate. Rows include Abbey National, Co-op, Cheque & Save, Lloyds Bank, etc.

Table with 2 columns: Fund and Performance. Lists top and bottom performing funds for one and five years.

COMPANY NOTICES: TRAFALGAR FUND S.A. NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS. BUSINESS FOR SALE: HOVE, NORTH WEST (M/CR) SNOOKER CENTRE. EDUCATIONAL: ABBEY TUTORIAL COLLEGE, INSTITUT DE FRANCAIS.

Source: Mirogal Ltd

*Offer to bid received

Getting USM

FINANCE & THE FAMILY

Rent-free pitfalls

Q&A BRIEFCASE

SHARE OPTION schemes have mushroomed in recent years and are usually the best - if not only - opportunity for directors and other senior executives to derive a substantial capital sum from their employment.

Why exercise is important



A UK resident who exercises a share option will be subject to an immediate income tax charge on the amount by which the value of the option shares on the exercise date exceeds the price payable for them under the option.

be able to arrange to be abroad again by the time he sells up. If this is possible, then he will have succeeded in paying no tax at all on his share profits.

EXPATRIATES

What about the converse case - of an option-holder who is resident at the date of grant but non-resident at the date of exercise? Since the determining date is the grant date, such a person would, theoretically, be subject to income tax on exercise.

However, the Revenue says that where the individual has ceased to be resident in the UK at the time he exercises the option, the question of a charge will not normally arise.

MY WIFE and I are about to buy a house for occupation rent-free by her 63-year-old brother and his wife (referred to below as B & W), who will shortly be returning to England to retire after working in Holland for 10 years.

Investment advice I UNDERSTAND that in 1990-91 both husband and wife will each have an allowance of £5,000 to offset against capital gains tax.

to realise the capital invested in the house. All this will be well-understood by all four of us at the start. However, the arrangement may last for many years, so we think there must be an agreement in writing in case one or more of us becomes forgetful or confused as the years go by.

Houses that go to seed I AM SURE many people will be experiencing our problem - overhanging tree branches with the potential to damage roofs and fabric.

authority might claim that B & W had made themselves homeless voluntarily if they moved out without a court order, and that a court could not grant such an order if they had security of tenure.

Profit on old car I HOPE to sell a vehicle which I bought in 1956 for £400. I am told it is now worth £8,000-£10,000.

house will not be exempt from CGT. If B & W need to move to a different house or flat as they get older, and we therefore sell one property and buy another for them, could the capital gain be "rolled over" from the property we sell to the property we buy?

The answer depends upon whether the answer to either of the following questions is Yes: 1. Is it a mechanically-propelled road vehicle constructed or adapted for the carriage of passengers...

CAMBRIAN & General, once an investment vehicle of disgraced US arbitrageur Ivan Boesky, staged a remarkable recovery last year, according to the latest performance figures issued by Mircoval and the Association of Investment Trust Companies.

Bouncing back

the subject of a takeover bid and also benefited from a reasonably good performance by the US stock market.

David Cohen

Shares (second worst) and Precious Metals (third worst). Over a five-year period, the worst performers were Murray Technology and Murray Kleotronics...

Investment advice

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Chess

MURDER by Kasparov, Karpov & Co is not an offset thriller but the title of a newly-issued collection of 65 of the best games from the recent chess olympics in Greece.

Chess

Black: Diane Savereide (US). Sicilian Defence (olympics 1988). 1 P-K4, P-QB4; 2 N-KB3, P-K3; 3 P-Q4, P-F4; 4 Nxf3, N-KB3; 5 N-QB3, P-Q3; 6 B-K2, B-K2; 7 D-O, N-B3; 8 B-K3, O-O; 9 P-B4, B-Q2; 10 N-M3.

CHRISTMAS CROSSWORD SOLUTION AND WINNERS

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A weeping water tank

I BOUGHT my present property about five years ago from the builder after they had finished its construction and that of other similar houses in the close.

Chess

Black: Diane Savereide (US). Sicilian Defence (olympics 1988). 1 P-K4, P-QB4; 2 N-KB3, P-K3; 3 P-Q4, P-F4; 4 Nxf3, N-KB3; 5 N-QB3, P-Q3; 6 B-K2, B-K2; 7 D-O, N-B3; 8 B-K3, O-O; 9 P-B4, B-Q2; 10 N-M3.

Chess

The pawn sacrifice 14... P-Q4; 15 P-K3, N-K3 is a better practical chance.

Bridge

MY FIRST hand comes from match-pointed pairs: N ♠ J943, ♣ A752, ♥ 83, ♦ Q73.

Bridge

North's raise to four hearts concluded the auction. The opening lead was the diamond three - West wanted to give his partner the count.

Chess

White to move and win; an endgame study by A. Hildebrand (The Problemist, 1988). At first glance this is a very drawn diagram, with level material in a simplified position.

Chess

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PROPERTY

Timeshare aims to polish its image

THE TIMESHARE industry had a bad year in 1988, although largely of its own making. But the British sector is hopeful that the lessons learnt will help it to establish a more acceptable image in 1989.

But Consumer Affairs minister Eric Forth told a recent TDA seminar that while a lot had been achieved in a short time to clean up the industry, the Government wanted standards to be raised. It looked to the TDA to sharpen its code and ensure that members complied with it.

Industry plans shake-up after a bad year, says Audrey Powell

The name has been altered from Multi-Ownership & Hotels to Barratt International Resorts (BIR). The company has a new managing director, Doug Eaton, and a new address: Consort House, Consort Way, Horley, Surrey. Gone are the hard-sell mail shots that used to be sent out to tempt buyers...

Eston feels the next move is to bring the company's older resorts up to standard, so it is spending £10m refurbishing and updating. After all, its project at Loch Bannoch in Scotland, Britain's first timeshare resort, now sold out completely to 4,000 owners...



Chalets at the Barnsdale Country Club in Leicestershire, the UK's most expensive timeshare

RCI operates a space-bank system under which you must first 'deposit' your own week and then give a range of choices.

built in this joint venture between McIntyre Properties and the Don Carlos.

RCN GAQ (tel. 01-236-2523) ask for Miss T. de Souza. Word has it that more than 5,000 people have bought timeshare through banks in Portugal recently.

Interval International (57 Mortimer Street, London W1N 7TD, tel. 01-631-1765) claims that it goes for quality as opposed to RCI's numbers. Interval awards five stars to the best projects on its register, which make up 20 per cent. It does not use the space bank system; members are asked first to choose an exchange location...

What is the future of timeshare - as seen from the UK? One school says that while timeshare belonged to North America in the 1950s, it will come to Europe in earnest by the 1990s. Another view is that of Edinburgh-based management consultant David McIntyre, of Arthur Young's Leisure & Tourism Group, who sees its future as 'more bleak than buoyant.'

McIntyre says timeshare has been bought in Britain by people who are relatively well-off and middle aged - a small market - but by only some of those, it would need to reach a far larger market to prosper. He suggests the answer for the British developer must be to encourage sales of UK timeshare to overseas buyers, in the way that UK tourism relied so much on overseas visitors.

To do this, the industry should develop a full-scale classification and grading system. 'The idea clearly has European implications, which might attract EEC money and ultimately could have international application,' McIntyre adds. Why didn't the British seize the initiative by adopting such a scheme?

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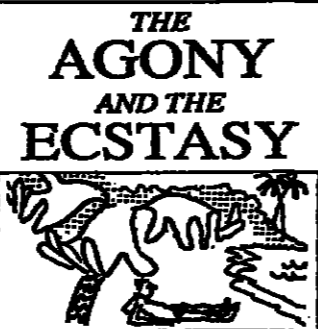
TRAVEL

Fancy footwork in the Great Jamaican Hustle

AND THEN the sheath knife appeared, glittering like a scimitar about four inches from my face. The knife was wielded by Joshua...

You get used to it eventually. As Steve Cohen explains in The Adventure Guide to Jamaica: "Hustling is open to all. You ask for directions or to take a photo and an opportunistic Jamaican asked for money in return. Something from you is always expected in return for services, real or imagined. This can feel intimidating if you are miles from the nearest town and are unused to Jamaican ways. 'Jes' have something for I, for I troubles', your newest Jamaican friend says softly. 'One love, bredren, jes' a little. It works out if you know what to expect'.

Much of my unease in the first week stemmed from the fact that I was based in Ocho Rios, which boasts some fine beaches and some excellent hotels but is a horrible dump of a town entirely given over to hustling. On the other hand, veteran Jamaican travellers insist that once you acquire a car, the tours leave you alone, reckoning that if you have been around long enough to catch the sun, then you already have what you need, or know where to find it. The trick is getting through those first few days.



Travels with Michael Thompson-Noel

miles-an-hour where I would probably eat seven or eight lobsters and then dance like a wild thing up and down Main Street. That worked like magic. It is not that I am insensitive. I was particularly not insensitive while wandering round Ocho Rios because on the plane from London I had read A Small Place, a book about Antigua, as it happens, by a writer called Jamaica Kincaid, who works for the New Yorker. If you work for the New Yorker you can write virtually what you like. Ms Kincaid writes well. She is greatly admired. People have given her prizes. She does not like tourists.



A street-side rum bar in Kingston

landing at Montego Bay I had tired of Ms Kincaid's Jeremiah, and was wondering what on earth the Third World would do if it were suddenly shorn of its tourists. The answer is: flounder.

This is well understood in Jamaica, where tourism has supplanted alumina and bauxite as the chief earner of foreign currency, and where the improved political climate, and the lessening of violence, have helped the tourism industry recover its poise. At least this was true until Hurricane Gilbert ripped across the island last September, leaving such a trail of devastation that the Jamaican prime minister likened the sight to "Hiroshima after the A-bomb."

There is more: "That the native does not like the tourist," writes Ms Kincaid, "is not hard to explain. For every native of every place is a potential tourist, and every tourist is a native of somewhere. Every native everywhere lives a life of overwhelming and crushing banality and boredom and desperation and depression, and every deed, good and bad, is an attempt to forget this. Every native would like to find a way out, every native would like a rest, every native would like a tour. But some natives - most natives in the world - cannot go anywhere. They are too poor. They are too poor to go anywhere."

By the time my Jumbo was vivacious contrast to Kingston, which looks mad, bad and bomb-wrecked. I wouldn't go there if I were you. One evening at dinner in Ocho Rios I met a stunning lady from the Jamaica Tourist Board, who was cultivated and silky. I told her that I had been to Kingston that day, and very much regretted it. "Lucky you," she said, choosing not to hear the second part of the sentence. "I struggle off there whenever I can swing it. It's a wonderful place, Kingston." I do not know what velvety amusements draw her there, but I was rendered speechless.

Other mountains trail off westward, ending in the Dolphin Head Mountains outside Montego Bay, Jamaica's second largest city after Kingston. I was only in Montego Bay briefly, but it struck me as a lively and attractive place - in

living and worth travelling to see. One warm wet morning I drove to the top of a beautiful hill to visit Firefly, a mountain hideaway near Port Maria that was Noel Coward's home. He is buried in the gardens, which command one of the most sensational views you will find anywhere in the tropics. How Coward must have revelled in the sadness of this strange, still place. Another day we made the obligatory three-hour, five-mile raft trip from Berrydale down the Rio Grande, a lazy, lovely river that exits the mountains and forests near Port Antonio. Halfway down, we stopped for a rest and a drink of coconut milk. My assistant wanted a swim. She was wearing a very expensive swimsuit. The water was green and cool. I remained on the bank and chatted to a



Jamaica: making an effort to love the tourists

There is much that is worth seeing and worth travelling to see. One warm wet morning I drove to the top of a beautiful hill to visit Firefly, a mountain hideaway near Port Maria that was Noel Coward's home. He is buried in the gardens, which command one of the most sensational views you will find anywhere in the tropics. How Coward must have revelled in the sadness of this strange, still place. Another day we made the obligatory three-hour, five-mile raft trip from Berrydale down the Rio Grande, a lazy, lovely river that exits the mountains and forests near Port Antonio. Halfway down, we stopped for a rest and a drink of coconut milk. My assistant wanted a swim. She was wearing a very expensive swimsuit. The water was green and cool. I remained on the bank and chatted to a

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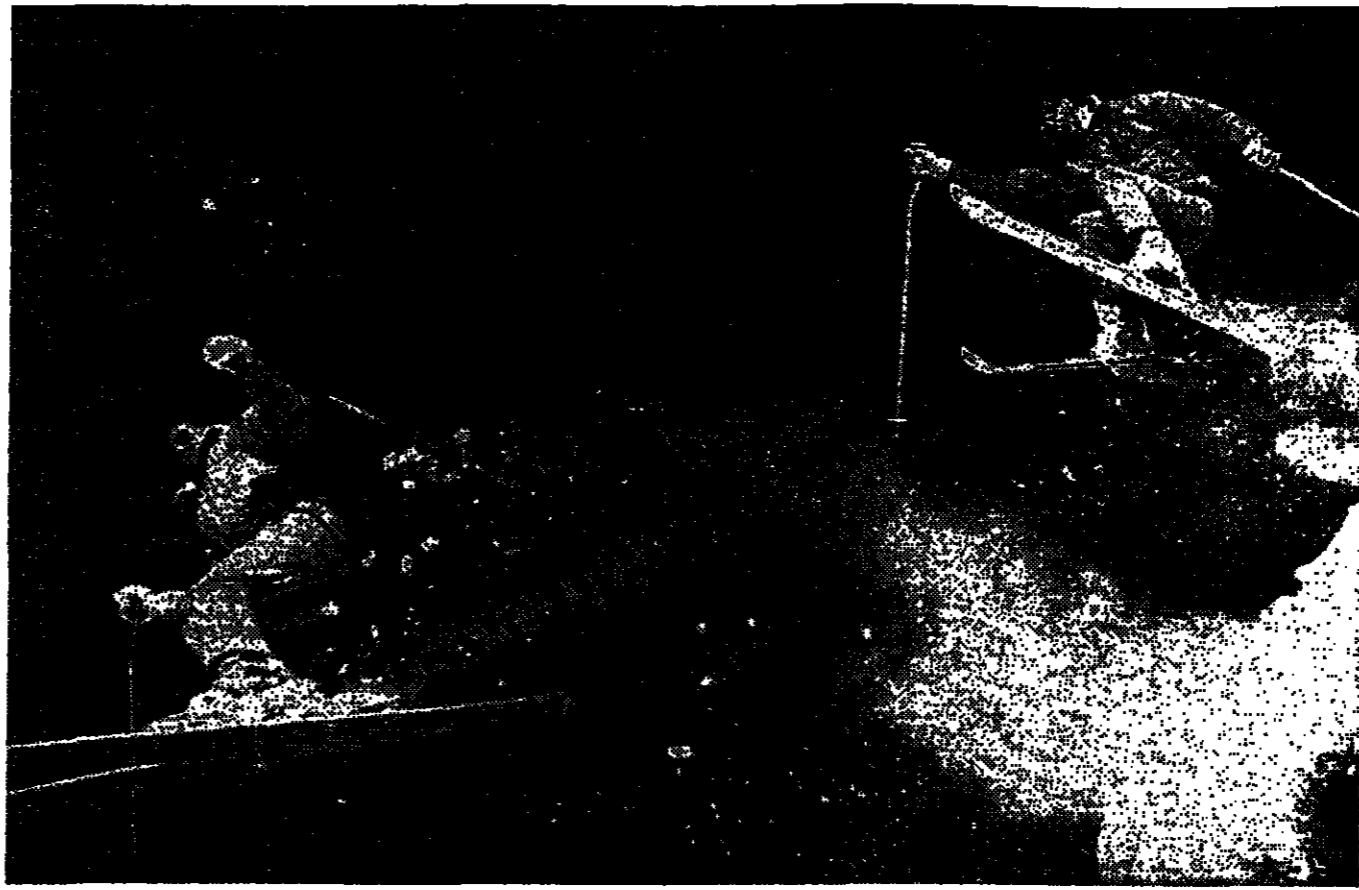
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TRAVEL

Skiing

Now it's all downhill from here. . .

Arnold Wilson pays a centenary tribute to Sir Arthur Lunn



Downhill skiers follow the trail set by Sir Arthur Lunn

Continued from previous page... pig, which had wandered eccentrically up. The pig-like creature... Then it lunged into the Rio Grande and wallowed beside Miss Lee, who was profoundly and bitterly hurt.

course, and Stamp 'n Go (a breaded fish fritter) and ugli fruit (a citrus hybrid bred from grapefruits and tangerines). Between meals, I read indigestible chunks of The Daily Gleaner, which must rank as one of the most peculiar newspapers in the northern hemisphere.

IT WAS just like the opening of the film Chariots of Fire. There they were, the old men, still bright and lean, with fire in their eyes, telling stories about the days when they were young heroes - busily inventing downhill skiing with their mentor, Arnold Lunn. Some were British, some were Swiss. But they spoke the same thrilling language - the language of skiing.

previous year, takes under 15 minutes for the fastest skiers. The Swiss were at first highly suspicious of this crazy, British concept of skiing downhill - epitomised by Lunn who set the first downhill slalom course at Muerren in 1922.

by European skiers who believed that Lunn had invented the slalom for clients who were "too cowardly to jump and too feeble to Langlauf."

pioneering camaraderie which found almost mystical pleasure in communion with the mountains. But of course Lunn won the day, and is now revered as the father of downhill skiing.

Britain for a long time," echoed Riddell. "It was a strange liaison. There we were, P G Woodhouse characters saying things like 'Cheerio, old bean, have a good ski, and there were the Swiss, who must have wondered about us. But these people changed our lives and changed an awful lot of Swiss lives, too, and we mustn't forget them. It was a glorious yodel, and it still is."

"That," said a voice rather cruelly, "is about the maximum of passion and joie de vivre we Swiss can muster." The Swiss, it seems, can laugh at themselves. It was the voice of Brig Arnold Kaech (yet another Arnold), president of the Schilthornbahn (cable car) and for 22 years permanent under-secretary in the Swiss Ministry of Defence.

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OUTDOORS

Britain's planners go back to the villages

As arguments grow over damaging development of the countryside, small model settlements are returning to favour. Gillian Darley reports

NOTHING SUCCEEDS in architecture like an idea from the Prince of Wales. Environment Secretary Nicholas Ridley might be forgiven if he felt piqued that while very small ripples followed his recent discussion paper giving a blessing for the revival of new villages, Prince Charles' plans for a model settlement on the Dorset of Cornwall's estates outside Dorchester have produced a veritable wave.

considered as an attempt to curb scattered and sporadic development in favour of "well located, well planned and well designed development on a village scale." Oddly enough, during the last development boom in the 1960s, new villages were also proposed as a solution to ad hoc development of the countryside. One pundit predicted 500 in five years.

estates." The Countryside Commission, the government quango entrusted to be a rural watchdog, is also in favour - although disturbingly vague about what it means by "new settlements."



Milton Abbas in Dorset, built as an exercise in architecture and landscape design

that dared to show its face along the main street of back land. One county that has had enough is Cambridgeshire. When the planners realised that the villages were, to all intents and purposes, null, it became the first county council to propose a new village in its draft structure plan.

the 3,000-household settlement proposed to the west of Cambridge will prove to be just commuter sprawl - with the worst possible effects on the hard-pressed city. The district planners, who deal with the actual applications, have around a dozen applications for the two sites favoured by Ridley.

that this is the mechanism by which the Government can also promote "social housing". A recent report from A.R.E., representing rural community concerns, says that limiting development permission to housing association use lowers land values and reduces the unit cost of housing.

errier planned villages; the Pentref Development Company aims "to create a village free from many of the normal economic, environmental and sociological disadvantages and pressures found in conventional property developments."

When Gladstone's architect, John Simpson, looked for models, he studied Caswell in Dorset. At the time this was developed, it was a village standing in much the same relation to the capital as Gladstone's village bears to Newbury. For Simpson, "the rules of the country are out of date" and his village would be, he says, rural rather than agricultural. But all those other rules impinge on the design of the late-20th century village.

The revived issue of new villages has divided the professions and the pressure groups. The Royal Town Planning Institute has welcomed the idea although its president, Francis Tibbalds, emphasises that they must be in the right place and of a "sufficient size to sustain a range of community services, rather than built like the opportunistic

The physical and social fabric of an organic village - one that has grown by pushing out here and there in response to changes in its fortunes - is a subtle matter. Development has to be in ratio to its size, and rarely is. Traditionally, villages have had breathing spaces that tie them to the countryside and set their scale; the incessant pressure for development in many areas has filled every meadow, every field



Upper Dornington, the Berkshire village for which planning permission has been refused

access to land brought the hamlet of Lightmoor into being. This scheme had a reputation before it had more than a few houses. The participants were, not unusually, a group with more skills than money, who have built their own combined homes and work-places on a site in Telford New Town, Shropshire. Winner of a 1987 Times/RIBA community enterprise award, the first phase is now complete and the second is set to go ahead. Another attempt at a scheme for a retirement village on the Clivedon estate in Berkshire; here, the land-owner is the National Trust, the site a Canadian military hospital, and a joint developer is Wates. It is designed by Jeremy Dixon. Again on a sensitive site, it is more formal on plan than Simpson's avowedly neo-classical scheme, while it has a looser architectural idiom.

So, is the new village an architectural issue, a planning issue or a social issue? In an age of specialisations, people tend to argue on single issues; the fact is that if there are to be new villages worth the name, we have to consider all three issues. Such a village needs to be adapted to design terms, but not the strident screams of the architectural prima donna; something quite unassuming and well-integrated with its surroundings. It must be in the right place (environmentally as well as economically) and it must not be an exclusive precinct to which few have a key. It is a very tall order.

THE MILD weather gave a new dimension to the Christmas holidays. If you found yourselves pulled in opposing directions and wondering why your free time in the country did not achieve more, these notes from my gardening holiday may show you how it happened.

A shingle-minded man Or, how Robin Lane Fox filled-in his Christmas

from first, while petrol refuses to filter into whacker engine and start the thing whacking. Ninety yards to go, on present progress, Lorry driver estimates that total cost of shingle will top £500, plus labour and second whacker.



put front leg to the ground. Try to persuade family that it will be the perfect chance to empty out half of the border, but lack follow-through and end up dividing pink-flowered dandelion (Crepis incana) which was not as good as the FT assured me when I put it in my best flowerbed. Cannot help noticing that one or two potatoes are already bunching into heaps.

Country Notes Solitary pursuits

WHILE spending Christmas and New Year in County Sligo, Ireland, some years ago, I was lucky enough to witness an ancient custom: the Hunting of the Wren. On Boxing Day, fancy-dressed young men carrying sticks paraded round the village houses, chanting a rhyme from breakfast to The wren, the wren, The king of all birds On St Stephen's Day Was caught in the furze.

IT IS probable that more pot plants are killed by incorrect watering than by any other single cause. Automatic watering systems may relieve gardeners of the need to know how to water plants properly, but I do not think they ever do it as well as a really skilled grower.

Saving plants from a watery grave

learned to distinguish - with considerable degree of accuracy - all the variations from saturation to complete dryness, and to adjust watering accordingly.

However, this does mean using very small quantities, since too strong a solution of any plant food (organic as well as inorganic) will do harm.

with earth spirits. This in turn derives from its preference for low, gloomy places where it searches every nook and cranny quietly for insects, with mouse-like persistence.

Arthur Hellyer

DIVERSIONS

Bibliophilia

Blue chip collection

UNTIL WELL into the 19th century, the classic lands of the eastern Mediterranean were remote, exotic and dangerous to visit.

spoke French. He learned Russian from his nanny and spoke Romanian at school.

The accounts he wrote on their return provide a main source for the area's changing political and economic situation and the culture and customs of the inhabitants as well as its appearance.

The Second World War, however, like the First, brought disaster to the Greek community.

Even conventional observers have given their value in demonstrating the conventions within which the Ottoman empire was viewed.

Lascaides emerged as a qualified marine engineer. He was given a job in London and began a career that was to take him all over the world.

In the Western tradition, Greece always has been a special country, the land where civilisation originated.

Lascaides emerged as a qualified marine engineer. He was given a job in London and began a career that was to take him all over the world.

A collection of such books put together by the late A.C. Lascaides is to be put on sale.

Lascaides bought a twist and saw at once that the book being torn up contained the official archives of the Sardinian consul at the end of the Greek War of Independence.

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William St Clair

MENTION the Greek islands, and the heart cheers at once. Why? It is not for the weather, at least not in winter when gales cut them off.

Every island is its own proud continent and has been since the first islanders came in Neolithic and Bronze Age times.

Today's unifier is tourism which provides enough for many to shut shop and "sit" through the winter.

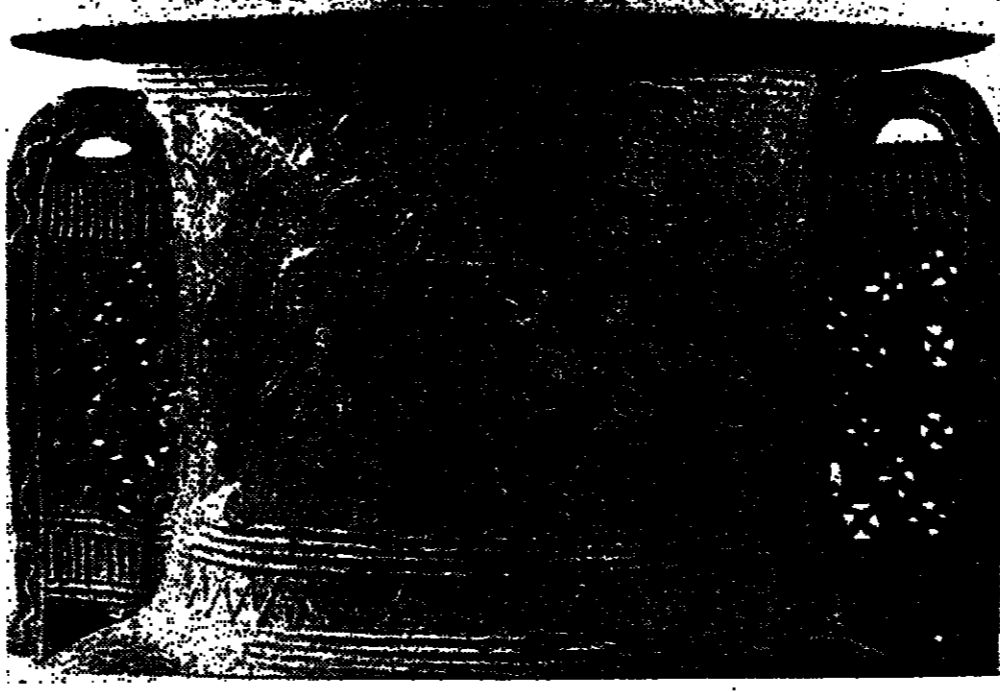
Melos. Rather, once someone happened to discover its properties - painfully - seamen could have come to collect it in lumps from the beach.

The earliest obsidian outside Melos dates from the 11th millennium BC, thousands of years before any Neolithic settlement in the Cyclades.

It was during his years of travel that he built up his collection. In the 1950s and 1960s books still were cheap and, from the beginning, he had a precise idea of the ones he wanted.

Lascaides bought a twist and saw at once that the book being torn up contained the official archives of the Sardinian consul at the end of the Greek War of Independence.

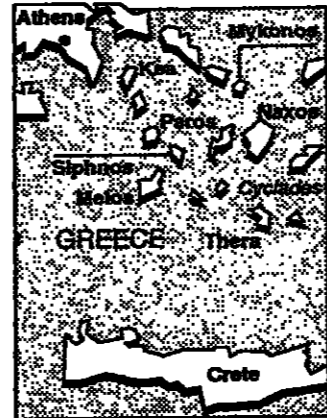
Archaeology



The Trojan horse on a jar from the 7th century BC

A continent on every Greek island

Gerald Cadogan finds much cheer in the history of the Aegean



Melos. Rather, once someone happened to discover its properties - painfully - seamen could have come to collect it in lumps from the beach.

It is still quarried in Paros and Naxos, which prospered in the 3rd millennium BC probably because they were centres of the oldest, yet also the most modern, sophisticated art of Greece.

In the Cyclades a dig on Kea has now found heads of this type modelled in clay. The main Bronze Age town on Kea was at Ayia Irini, on a low promontory in a natural harbour.

Food for Thought

In search of fruits de mer

Peter Lewis drools at the very mention of French seafood

BEFORE FAMILIES disperse after Christmas and the New Year, they think about their summer holiday.

Most supermarkets sell cold-water prawns, with or without the shells. But I am not craving a few prawns; my holiday thoughts are set on one of those huge, dripping communi-

Ostend in Belgium. In general, the seafood is very good at Ostend, world centre of the little brown shrimp (sorry, Morecambe).

The oysters usually are rather small and the clams sometimes rather big but the ensemble is excellent, towering over the table on its wire stand which leaves space underneath for rye bread, butter, shallot vinegar and mayonnaise.

IT MUST BE TIME FOR THE ALFRED DUNHILL SALE. WEDNESDAY, JANUARY 4TH-SATURDAY, JANUARY 28TH. Visit Alfred Dunhill at 30 Duke Street St. James's, Burlington Arcade and 5 Sloane Street.

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anything very exotic or strange. It is, however, the only place I know where whelks are served regularly. This delicacy, which is dispensed from cauldrons at fish-stands along the quay, is called worme unilocks in Flemish and is eaten in the street out of little plastic pots.



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new ideas in pottery, architecture and religion. Anatolians came by in the centuries around 2000 BC.

Many other islands, from Kythera in the West to Karpathos, Rhodes and Kos in the East had strong Cretan links, but ties were strongest on the volcanic island of Thera.

But even at the acme of Minoan influence the islands kept much of their own attitudes. The Thera's own attitudes and fishes look like nothing from Crete, and the Minoan style of pottery is distinctive.

Leave the beach on Mykonos for the island's museum. Do not miss either the excavations on Thera and, if in Athens, the Goulandris Museum of Cycladic and Ancient Greek Art for marble figurines and statues.

The Cyclades in the Bronze Age, by R.L.N. Barber, Duckworth, London; The Islands of Karpathos, Savos and Kos in the Neolithic and Bronze Age, by E.M. Melas, Struss, Göttingen.

Drinks Sloe but sure

GOD in his wisdom has smiled on us again. I am declaring a vintage year for the 1987 bottled sloe gin.

As I am feeling rather pleased with our modest success, I thought I would share the knowledge - if not the taste and satisfactory joy - of how to produce this excellent cold weather drink.

The year 1986 was very good for the fruits of the hedgerows. There were a great many blackberries, although they were not enormously large and juicy.

However, 1988 produced an abundance of such quantity and quality that it has made up for all the lean years. First of all, the blackberries were huge and succulent. Each day in the early autumn, I picked a couple of punnets.

I have noticed since we have been making sloe gin that many people have started picking the sloes when they are about to be ripe or, indeed, are just ready. A panic sets in; the competition is fierce to gather all that grows.

It is a fine bush, the blackthorn, and named aptly. Its white flower complements the lambs in spring and its berries in winter bring warmth to the shaggy.

First of all, most of the leaves will have fallen by the time we get out-frosts and the berries then take on a new prominence. Second, we can take our autumn holiday comfortable in the knowledge that the ever-ripening berries will be waiting for us on our return.

Each berry needs to be pricked at least four times; a chiselling fork is admirable for the job. It is just the right size and, handled carefully, will make four neat holes in one go - economy of effort.

The whole lot are placed in large pickle jars. First, there is a layer of sugar, then a layer of sloes, then sugar and so on until the jar is nearly full. Add the almonds and fill up with gin.

What I am now hoping for is an end to the mild weather and a very cold, dry winter. In that sort of climate, sloe gin becomes the king of refreshments.

I have not mentioned quantities, which one naturally does when giving a recipe; but then, I think life is all the sweeter with one or two secrets.

Bobby Robson



Arcachon has, of course, very good oysters and supplies them up and down the Atlantic coast, up to La Rochelle and down to Capbreton, near the Spanish corner.

How about the Mediterranean? In my experience, the most likely bet for a good platter along this coast is the fish-and-wine port of Sète, which is a sort of port town's Venice. Here, there is a stretch along the canal which is wall-to-wall seafood joints for about a kilometre.

Anyone who goes to Sète without taking a selection chez Achille is missing one of the unique delights of the place. Good old Achille will often slip in a few razor-shells (remember them from your childhood?) or a violet, which looks like a wrinkled, flat-sized leather bag but has bright yellow flesh inside which tastes even more bitterly of iodine than the oysters.

In Paris, these things are attended to with a bit more ceremony and have more of an air of special occasion. A tourist at heart, I am very fond of the Terminus Nord, Gare du Nord. This is where James Bond always stayed by choice when in Paris.

But although it is always a bit of a feast, the platters should be an informal thing. I remember a little fishmonger's shop in the town of Grullion, in the Auvergne, that had a card in the window offering a dégustation. A folding table and two chairs were produced and a veritable hillock of seafood spread forth. I have even had one of Achille's for breakfast before slipping back up the autoroute. Makes a nice breakfast.

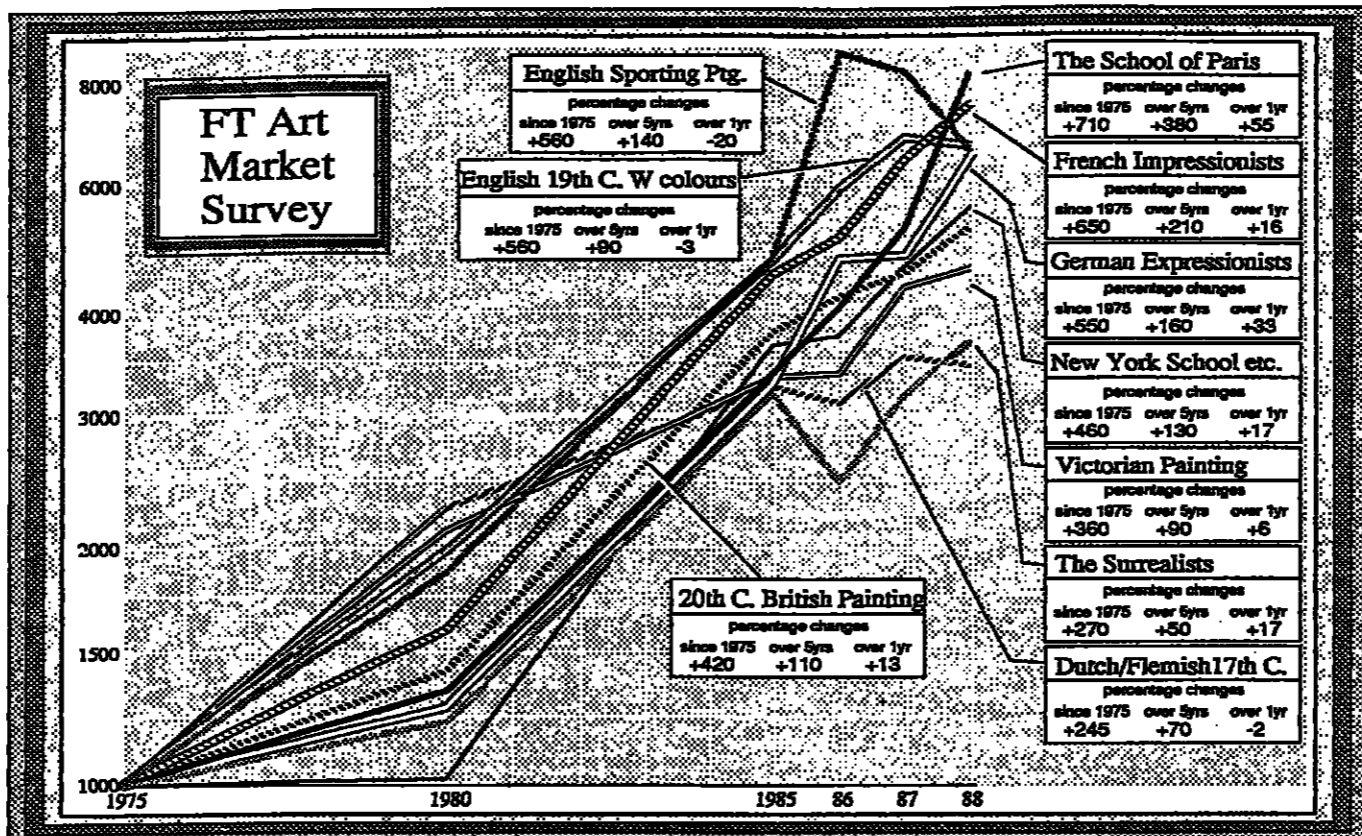
FT ART MARKET REVIEW

Art as investment: strength in depth

Robin Dutty examines the market since 1975 and finds a healthy climate for the lower echelons as well as star names

Art prices overall have increased by 480 per cent since 1975 - equivalent to annual growth of 14.5 per cent. Over the last auction year, ended July 1988, prices rose by 11 per cent compared with 16 per cent in the previous year.

around £30,000. The bulk of those passing through the market must be considered grade three paintings and collectors clearly feel that other fields offer better value.



Statistical method used in this survey: The 1975 base figure for each artist is the average price of the central 80 per cent of paintings, watercolours etc.

The art market today is in a sound state, but the danger is that the long run of sparkling results for paintings by Monet, Van Gogh and other household names will create an illusion that all art is now safe.

Subject matter does not seem to affect growth rates. Seascapes are as popular as scenes of carousing peasants or skaters in a winter landscape.

English Sporting Painting The index of English Sporting Painting has dipped by 26 per cent over the last two years but still shows a rise since 1975 of 560 per cent.

English Watercolours Decorative appeal is now the factor most affecting the value of English watercolours. Helen Allingham, the most accomplished of the "Foxglove Cottage School" commands the highest average price - £4,900 - of the artists in the index.

Harry Hall +620. English Watercolours Decorative appeal is now the factor most affecting the value of English watercolours. Helen Allingham, the most accomplished of the "Foxglove Cottage School" commands the highest average price - £4,900 - of the artists in the index.

The exclusion of the top 10 per cent removes from the sample the potentially distorting prices paid for exceptional works, and the bottom 10 per cent removes seriously damaged works and others of doubtful authenticity.

Changes in the ten indexes given here vary from a 710 per cent rise since 1975 for the School of Paris to 245 per cent for Dutch and Flemish 17th century painting.

The idea of art as investment was once thought rather sordid. Now, fortunately, it is widely accepted that to take pleasure in a work of art is quite separate from, though compatible with, expecting it to be good investment.

Victorian painting The rise of 80 per cent in the Victorian painting index since 1975 is towards the lower end of the art market league table and shows that the rapid revaluation of Victorian painting in the 1970s has slowed.

French Impressionists Impressionist prices are set mainly by markets in the German-speaking world and now show a rise of 550 per cent since 1975.

The New York School, etc. This group covers the Abstract Expressionists and takes in representatives of Pop Art, Op Art and Colour Field painting.

The School of Paris This group contains a galaxy of famous artists, many of whom, surprisingly, had climbed in value quite slowly until 1984.

Dutch/Flemish 17th Century Painting With a rise of 245 per cent since 1975, the index of 17th century Dutch and Flemish painting shows the smallest increase of the ten schools of painting considered here.

Art objects are increasingly seen as investments, the value of which rise and fall as new assessments are made of their aesthetic, historic, functional or some other value.

Artists: John Ferneley (88r) +410 per cent; John Herring (88r) +440; John Nott Sartorius +890; John Wootton +410;

Edouard Vuillard (up 1,150 per cent) and Marie Laurencin (up 930 per cent) - all of them artists who appeal strongly to Japanese taste.

Victorian painting The rise of 80 per cent in the Victorian painting index since 1975 is towards the lower end of the art market league table and shows that the rapid revaluation of Victorian painting in the 1970s has slowed.

German Expressionists Impressionist prices are set mainly by markets in the German-speaking world and now show a rise of 550 per cent since 1975.

Advertisement for 'THE PLAY FROM THE NARRIA BOOK' by C.S. Lewis, featuring Glyn Robbins. Includes details about the play and contact information.

Advertisement for 'THIS LAND IS OUR LAND' exhibition at The Mall Galleries, London SW1. Focuses on aspects of agriculture in art.

Advertisement for 'ROYAL ALBERT HALL, LONDON' featuring an auction of 18th century Spanish art.

Advertisement for 'ANTIQUE STOCK CERTIFICATES OF THE KINGDOM OF SPAIN' with a focus on historical art.

Advertisement for 'BEST SEATS AVAILABLE' for an event at the Royal Albert Hall, listing various seating options.

Advertisement for 'ROY MARSDEN KATE O'MARA' and 'THE RELAPSE' at the Mermaid Theatre.

Advertisement for 'Cecile Ousset' piano recital, featuring various concertos and sonatas.

Advertisement for 'ART GALLERIES' listing various art spaces and exhibitions.

Advertisement for 'THE PLAY FROM THE NARRIA BOOK' at the Barbican Hall.

Advertisement for 'ART GALLERIES' listing various art spaces and exhibitions.

ARTS

Alistair Macauley goes to Paris to rekindle a love affair with the extraordinary works of a master choreographer and his company

Cunningham's walk of life



The eternal image of Merce Cunningham — a famous picture from 1972; today the man and the mystery remain unchanged

Yon start by walking — by lifting one foot from the floor and then placing it down at another place. It seems an obvious thing to say, but this basic ingredient of human movement is something no major choreographer, no major academic dance style, takes for granted. And how moving that so ordinary a human act can rendered new to us. I felt this again looking at three programmes given by the Merce Cunningham Dance Company, in its two-week season in Paris at the Theatre de la Ville.

There are two women who always enter together, stepping in patterns around the perimeter of the stage, and five others who have, in addition to duets and ensembles, personal solos. Each of the five has a different tread and the female pair share a sixth: one man's back leg drags, one woman separates each of her steps with the hint of a pause, and the two "sisters" pace calmly in and out of still-held and far-reaching arabesques.

attended, the Paris repertory was supplemented by the revivals of those older works *Septet* and *Rainforest*; the result was more like a Cunningham retrospective than any season London has yet been given.

silver pillows (set against a black void), some hung like giant stars or massive foliage, above the dancers, others loose on the floor like swaying undergrowth. (At the Theatre de la Ville, one of these passed forward and bounced its way up to the back of the auditorium.)

since 1984). The costumes are in a wide array of single colours, each perfectly selected (lemon, salmon, royal and egg-shell blues, grass-green and more), with two-layer black-over-white skirts for the women, which later they remove as the work accelerates.

A glutton devoid of graces

The Gate opens its 10th anniversary season of neglected European classics with a late 18th century comedy which holds a pivotal place in the history of Russian drama but has apparently never before made it to the British stage.

men in the Middle East, or a woman's loose dress) hanging out like any errant school-boy's. However, it surely ignores the titular irony of an ineffectual, gluttonous youth on the verge of man's estate yet coddled like a delicate toddler by a mother whose every ambition is invested in him.

are gloriously personified in Flip Webster's bullying Mrs Simple; the cultivation of city dwellers in George Poussett's benignly pompous Oldwise, who arrives at the Simple household to rescue his orphaned niece Sophia from droegery. He stays to see her safely betrothed to the right man and to impart his civilising views on duty and virtue in pointedly archaic speech to an assembly more interested in his money than his morals.

the cast — from Steven Wickham's pamechy farmer Beast to Kate Evers' demure Sophia — is well-exploited by director Giles Croft, although the restraints of 12 actors on the small Gate stage take their toll on the broader comedy.



From left, Flip Webster, Adam Ray and Deva Palmer in *The Infant*

Baroque diversions restored

Opera Restor'd, the touring company dedicated to the revival and production of English masques and operas of the baroque period, visited the Queen Elizabeth Hall on Thursday with a double bill of 18th century one-acters. Both little operas, John Christopher Pepusch's *The Death of Dido* (1706), in a dramatic structure much simpler and more "domestic" than Nahum Tate's. The succession of acts, each of them distinct in melodic style and vocal writing, is fairly slender; it is surely a mark of the current vogue for all things operatic

that the programme should have drawn a full hall. Pepusch, the Berlin-born composer best known for his contribution to *The Beggar's Opera*, was a skilful musician. Barton Booth's libretto treats more expansively the relationship between Dido (soprano) and Aeneas (alto) than did Purcell's earlier masterpiece (hardly familiar by 1706), in a dramatic structure much simpler and more "domestic" than Nahum Tate's.

point. The total was an hour of unrelieved mildness, mainly notable for stimulating new ways of admiring the genius of both Purcell and Pepusch's contemporary Handel. An infusion of livelier rhythmic attack from the instrumentalists could well have encouraged a different impression.

decor production style (Classical facade, tasteful period costumes) that served Pepusch well enough to revive echoes of the jolly-good-fun school-play; much greater sophistication is needed here.

The hottest theatre ticket on Broadway this Christmas has been for a production of *Waiting for Godot*. Why? Because it stars America's two top white comedians, Steve Martin and Robin Williams. For at least a Yuletide, their combined box-office clout has put Samuel Beckett up there with Stephen Sondheim and Andrew Lloyd Webber. Who knows, on this form we may soon see Eddie Murphy in *Boyz n the City* and Chevy Chase in *Keyhole*.

into the cinema with a filmed solo concert. But as if by inverse colour bar, Martin and Williams's exposure outside America has been confined to roles in feature movies, and frequently awful movies at that.

ness. He comes on like a doo-to-door salesman whose smile can turn to teeth-gritting malice if the door jams on his foot.

(Warner) and *Suspect* (RCA/Columbia). Otherwise the new year is given over to titles which sound like recommendations to run quickly in the opposite direction: *Evolution of The Bogymen*, *Alien From L.A.*, *The Whodun? The Strabitz Kid* and more such.

Video Comic cuts

But the natural habitat for these comics is neither the "legit" stage play nor the feature film. It is the one-man stage show. Before video, British audiences almost never got to see these manifestations.

Now home viewers may see and gawp at will. Steve Martin (*Live*) (Vestron) has the silver-haired human sparkplug on stage in glorious form, building a collage of mimicry, mime, shaggy dog tales and spoof shrewdly.

Williams's routines are runaway snowballs of comic invention, in a ad-hoc essay on politics will feature swipes at Reagan and Gorbachev, but will also gather in sports commentators, Mafia jokes and Sylvester Stallone. The asides come so fast — like a thumb-nail shtet in Stallone doing Hamlet ("To be, or what?") that you have to keep your eyes and ears on permanent red alert. Wonderful stuff.

Curio of the month, at least for collectors of bizarre records, is *Wisdom* (Warner). When he made this likeable if rambling *Bonnie And Clyde*-style thriller, 25-year-old Emilio Estevez became the youngest person ever to write, direct and star in a Hollywood movie.

Kingsley Amis's *Girl, 30* has sharply-drawn characters and a bold plot laced with surprises — proper material for radio. For Radio 4's Monday Play, Tony Billow has made it into *All Free Now*, laying out the bones of the story effectively and retaining a fair feeling of Amis in the newly-corrected talk.

Robert Stephens played the flamboyant musician Sir Roy Vandervane, respected in the classics but ostentatiously keen on pop, even composing a piece for a group called Pigs Out, with himself on his Stratocaster. Less ostentatiously, he is keen on young girls, and is preparing to leave his wife and two children for an unknown, Sylvia, alleged to be 20, actually 17.

What Radio 3's publicity didn't make clear was that *The Works* is for young listeners, who need the kind of talk-down which Radio 3's features generally avoid. I heard the first three programmes (at 6pm) and found them entertainingly miscellaneous. The first, on Monday, dealt sensibly with musicians' finances, with wise advice to pop singers about long contracts.

and about a forthcoming week of young artists in 20th century music, disappeared by 20th century composer David Bedford. We had samples of group-composed music that I thought child-like if not actually so. There were director's jokes about continuity that were definitely job; when we were to hear Bedford's *The sun rainsbows on the vast waves*, for wind-band and tuned bottles, we had *Into thy wondrous house* instead. Later we caught announcer Tony Scotland knitting.

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Nigel Andrews

Radio Novel distraction
What Radio 3's publicity didn't make clear was that The Works is for young listeners, who need the kind of talk-down which Radio 3's features generally avoid. I heard the first three programmes (at 6pm) and found them entertainingly miscellaneous.
B.A. Young

Pick of the week at Christie's
ON THURSDAY, 12 January at 2.00 p.m., Christie's in South Kensington will be holding an auction of Cameras, Photographs and Related Material. A huge variety of objects will be offered for sale, from photographic literature to erotic glass slides.
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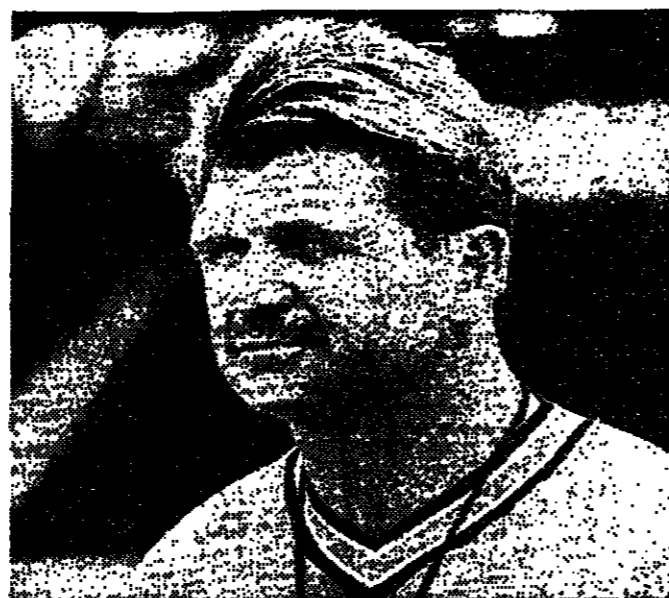
SPORT

Fortune is favouring the form book

Ben Wright is well along the road to the 23rd Super Bowl clash in Miami

PERHAPS THE most unpredictable American football season in history...

again in what is forecast to be a sub-zero temperature. Firstly they beat the Fortyniners 10-6 in Chicago...



Mike Ditka, the Bears' coach is delaying team selection

accounts, on this latest occasion a very inexperienced Eagles team really test themselves...

80 yards. Rice, who has been slowed down all season by an ankle injury...

flery Ditka, Hollywood casting's archetypal blue-collar coach, who suffered a minor heart attack during the season...



Joe Montana: a superstar who has proved his fitness

DEWI MORRIS, the Welshman who plays scrum-half for England...

Racing through the ranks

John Kitching talks to the Welshman who plays rugby for England

After three years at Wincoburn Park, Morris moved into the first class game...

But we're still fighting. "I think the leagues have given a whole new impetus to the game in this country...

exude confidence. Much of that, he says, has to do with the appointment for the whole season of Will Carling as captain...

CROSSWORD

No. 6,828 Set by DINMUTZ. Prizes of £10 each for the first five correct solutions...

Crossword puzzle grid with numbers 1-30.

- ACROSS: 1 Liable to change (5), 2 Plugging ceiling, say? (8), 3 Rotating firework doing real revolution (8)...

Solution to Puzzle No. 6,827: DOWN: 1 DOWNTOWN SPIRITS, 2 DREAMS, 3 TROUBLE, 4 RAINBOW, 5 RAINBOW, 6 RAINBOW, 7 RAINBOW...

Solution and winners of the Christmas Crossword appear on page V of Weekend FT.

TELEVISION & RADIO

SATURDAY

GRANADA: 11:50 am The Chart Show, 12:30 pm America's Top 10, 2:10 The Fall Guy, 4:57 Matar Sports Results, 5:11 News, 5:28 pm The Hit Man and Her, followed by ITN News Headlines...

SUNDAY

GRANADA: 11:50 am The Chart Show, 12:30 pm America's Top 10, 2:10 The Fall Guy, 4:57 Matar Sports Results, 5:11 News, 5:28 pm The Hit Man and Her...

Advertisement for the opera 'The Midsummer Marriage' at the Royal Opera House, London. Starring Janet Suzman as Sosiphetra and David Wilson-Johnson as King Fisher.

Advertisement for BBC Radio 4, 4000m, and other radio services. Includes details about various programs and listening times.